

A D O P T E D

OPERATING AND CAPITAL BUDGET

FISCAL YEAR 2007-2008



City of Charlottesville

A Great Place to Live for All of Our Citizens



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Charlottesville
Virginia**

For the Fiscal Year Beginning

July 1, 2006

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Charlottesville, Virginia for the Annual Budget beginning July 01, 2006. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Table of Contents

MANAGER’S BUDGET MESSAGE

Manager’s Budget Message	i
FY 2008 Revenue Changes	ix
FY 2008 Expenditure Changes	x

INTRODUCTION & SUMMARY

Introduction to the Budget	1
Contact Information	1
Charlottesville City Council Vision – 2025	2
FY 2007-2008 Budget Calendar	4
The Purpose of Budgeting.....	5
The City's Fund Structure	5
The Basis of Budgeting	6
The Budget Process	6
2025 Vision – Strategic Planning.....	7
Budget Adoption.....	7
Legal Budgeting Requirements	7
Budget Guidelines	8
Long Term Financial Policies	8
Major Expenditure Highlights of the Budget	9
New Capital Improvement Program Initiatives	12
General Fund Revenue Summary	13
General Fund Expenditure Summary	14
Explanation of Revenues	15
Major Local Revenues – Descriptions and Trend Data	16
Adopted Tax and Fee Rates	20
General Fund Revenue Detailed.....	21
Non General Funds Revenue Detailed.....	23
Expenditures Detailed	25

MANAGEMENT

Management Summary	27
Accomplishments of the Past Year.....	28
Goals and Objectives for FY 2008.....	28
Council Reserve.....	29
Mayor and City Council	30
Office of the City Manager/Administration and Communications	31
Office of the City Manager /Office of Economic Development.....	32
City Attorney.....	33
General Registrar	34
Organizational Memberships	35

DEBT SERVICE

Debt Service.....	37
-------------------	----

FUND BALANCE TARGET ADJUSTMENT

Fund Balance Target Adjustment.....	39
-------------------------------------	----

EMPLOYEE COMPENSATION AND TRAINING

Employee Compensation and Training	41
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INTERNAL SERVICES

Internal Services Summary	43
Accomplishments of the Past Year.....	44
Goals and Objectives for FY 2008.....	44
Business Services	45
Finance Department: Purchasing/ Risk Management/Warehouse	46
Human Resources.....	47
Information Technology	48

FINANCIAL SERVICES

Financial Services Summary.....	49
Accomplishments of the Past Year.....	50
Goals and Objectives for FY 2008.....	50
Commissioner of the Revenue	51
Finance Department: Management/ Real Estate Assessment/ Utility Billing Office.....	52
Treasurer.....	53

HEALTHY FAMILIES & A HEALTHY COMMUNITY

Healthy Families & A Healthy Community Summary.....	55
Accomplishments of the Past Year.....	56
Goals and Objectives for FY 2008.....	56
Charlottesville/Albemarle Convention and Visitors Bureau	57
Comprehensive Services Act	58
Community Attention	59
Community Events and Festivals	60
Contributions to Children, Youth, and Family Oriented Programs.....	61
Contributions to Education and the Arts	62
Department of Social Services	63
Housing Programs and Tax Relief.....	64
Neighborhood Development Services	65
Parks and Recreation.....	66

INFRASTRUCTURE & TRANSPORTATION

Infrastructure and Transportation Summary.....	67
Accomplishments of the Past Year.....	68
Goals and Objectives for FY 2008.....	68
Public Works: Administration/Facilities Management and Maintenance.....	69

Public Works: Public Service/Fleet.....	70
Public Works: Transit/JAUNT	71
Public Works: Utilities	72
PUBLIC SAFETY & JUSTICE	
Public Safety and Justice Summary	73
Accomplishments of the Past Year	74
Goals and Objectives for FY 2008.....	74
City Sheriff	75
Commonwealth's Attorney	76
Contributions to Programs Promoting Public Safety and Justice	77
Courts and Other Support Services.....	78
Fire Department: EMS/Ambulance Service	79
Fire Department: Operations	80
Police Department.....	81
SCHOOL OPERATIONS	
School Operations.....	83
City/School Contracted Services	84
CAPITAL IMPROVEMENT PROGRAM	
Capital Improvement Program Fund	85
FY 2008 Capital Improvement Program Revenues & Expenditures.....	86
Description of Capital Projects	87
Operational Impacts	89
FY 2008-2012 Capital Improvement Program	90
OTHER FUNDS	
Equipment Replacement Fund	93
Facilities Repair Fund.....	94
Retirement Fund.....	95
Risk Management Fund	96
Debt Service Fund.....	97
Health Care Fund	98
Communications System Fund	99
CITY PROFILE	
City Profile	101
City Awards	103
City Organizational Chart	104
City Wide Staffing (Full Time Equivalents)	105
GLOSSARY	107
INDEX	111

July 1, 2007

Mayor and Members of City Council
City Hall
Charlottesville, VA 22902

Dear Mayor and Council:

I am proud to present the City Council Adopted Fiscal Year 2007-2008 City Budget, a total operating budget of **\$122,154,764, an 11.34%** increase over the current year's budget. In addition to this, there is a designated portion of the budget, totaling \$12,508,036, which is funded from dedicated revenue sources, such as school funding for pupil transportation and building maintenance, City/County Revenue Sharing funds for the Capital Improvement Program, Equipment Replacement Fund, Facilities Repair Fund, and the dedicated portion of Meals Tax revenue (1-cent) to Debt Service.

As is appropriate, this budget serves as a vehicle to move Council's vision forward, focusing on excellent customer service, enhanced citizen-focused governing, and a commitment to lifelong learning. The FY 2007-2008 Budget serves as a blueprint for the upcoming year, frames the City's future fiscal picture and continues to be presented in a format that details City services and programs in terms of costs, in a manner that is easy to read and understand. Actual cost allocations are shown in the individual departmental budgets. Finally, this budget is a work plan of objectives to be accomplished over the coming year.

For several years, the City has recognized the need to develop and implement a strategic plan to serve as a critical tool when making program and funding decisions on the future of our city. A strategic plan would not only be beneficial during times when meeting needs is not as difficult a task, but absolutely essential during those times when hard decisions need to be made that require thoughtful assessments of service and program reductions. It is with that goal that City staff, with engaged participation from the public, began last year to develop a strategic plan, one which continues to be a work in progress.

In January 2006, City management and a team of staff began a process of developing the City's first comprehensive Strategic Plan. During a series of focus groups and meetings with a community driven Strategic Planning Steering Committee appointed by City Council, and the community at large, this citizen-guided group developed several strategic priority areas. Once these priority areas were refined and presented to City Council, Council developed them further at your fall 2006 annual retreat. Since that time, and over the course of several months, City Council has shaped those priorities into a **2025 Vision for the City**.

While this adopted budget does reflect many of the priorities found in this **2025 Vision**, over the course of the next year City departments will take these strategic priority areas and create strategic business plans that will align with the broader areas and eventually the budget. In addition, performance measures will be developed that will measure success and progress of strategic initiatives. Future budgets will incorporate this full strategic planning process, which will serve as a powerful tool to assist with critical funding decisions.

FY 2007-2008 - Funding City Council's Course

2025 Vision for the City

Charlottesville: A Great Place to Live for All of Our Citizens

- A leader in innovation, environmental sustainability, and social and economic justice
- Flexible and progressive in anticipating and responding to the needs of our citizens
- Cultural and creative capital of Central Virginia

Under this vision, eight broad goal areas have been developed. This FY 2008 City Council Adopted Budget supports each of these goal areas in several ways:

1. Economic Sustainability

Our community has an effective workforce development system that leverages the resources of the University of Virginia, Piedmont Virginia Community College, and our excellent schools to provide ongoing training and educational opportunities to our residents. We have a business-friendly environment in which employers provide well-paying, career-ladder jobs and residents have access to small business opportunities. The Downtown Mall, as the economic hub of the region, features arts and entertainment, shopping, dining, cultural events, and a vibrant City Market. The City has facilitated the development of significant infill commercial and mixed use sites within the City.

- Provides \$10,000 to the Central Virginia Small Business Development Center, which provides management, marketing, planning, operational, financial and other assistance to existing and pre-venture small and medium sized businesses.

- Fully supports the City Market, including the return of a Wednesday Farmers' Market that will be held at Meade Park.
- Fully supports local economic development non-profits, including the Thomas Jefferson Regional Partnership for Economic Development and the Planning District Commission.
- Continues and expands, at a cost of \$30,000, the Summer Youth Internship Program for a second summer to provide 32 students, aged 14-18, with an opportunity to work and be exposed to job settings in City departments, City schools and various non-profit agencies.
- Supports workforce development initiatives in economic development.
- Provides sponsorship for Piedmont Virginia Community College's Licensed Practical Nurse workforce development program.

2. A Center For Lifelong Learning

In Charlottesville, the strength of our education is measured not by the achievements of our best students, but by the successes of all our students. Here, an affordable, quality education is cherished as a fundamental right, and the community, City schools, Piedmont Virginia Community College and the University of Virginia work together to create an environment in which all students, and indeed all citizens, have the opportunity to reach their full potential.

- Unprecedented support for the City schools, in the form of a total increase in funding of \$4,328,584, a 12.73% increase over FY 2007. The City's policy is to allocate up to 40% of new real estate and personal property tax revenue to the schools. This adopted budget provides 71.97% of these new revenues representing a significant policy shift, important due to decreased State funding.
- Funds the City School's capital improvement program at \$1.6M in FY 2008, and an additional \$400,000 to accelerate ADA improvements in the City schools.
- Supports local and regional non profit agencies dedicated to providing educational opportunities for all ages, totaling \$1.5 million.

3. Quality Housing Opportunities for All

Our neighborhoods retain a core historic fabric while offering housing that is affordable and attainable for people of all income levels, life stages, and abilities. Our neighborhoods feature a variety of housing types, including higher density, pedestrian and transit-oriented housing at employment and cultural centers. We have revitalized public housing neighborhoods that include a mixture of income and housing types and enhanced community amenities. Our housing stock is connected with recreation facilities, parks, trails, and services.

- Establishes a new Charlottesville Affordable Housing Investment Program, at an initial investment of \$1.75M, to meet the housing challenges facing our

residents by dedicating, consolidating and expanding financial support for the preservation and production of affordable housing in our community.

- Maintains current Tax and Rent Relief for the Elderly programs with a total budget of over \$845,000.
- Expands the Charlottesville Tax Grant Relief Program by increasing the house value limit to \$350,000 and increasing the grant amounts to \$350 for those earning between \$25,000 and \$50,000 and \$500 for those earning less than \$25,000.
- Maintains both the Housing Trust and Housing Initiatives funds in the Capital Improvement Program totaling \$400,000 in FY 2008.

4. C’Ville Arts and Culture

Our community has world-class performing, visual, and literary arts reflective of the unique character, culture, and diversity of Charlottesville. Charlottesville cherishes and builds programming around the evolving research and interpretation of our historic heritage and resources. Through City partnerships and promotion of festivals, venues, and events, all have an opportunity to be a part of this thriving arts, cultural, and entertainment scene.

- Enhances the programming of several community events offered by Parks and Recreation, including an additional Movie in the Park, improved Halloween Festival and Christmas Party, and other additions such as a Mother-Daughter Tea Party and Amazing Race – C’Ville.
- Supports various arts and culture non profit agencies and area festivals. Many of these festivals also receive in-kind services from the City during their respective events.
- Fully funds the Charlottesville/Albemarle Convention and Visitors Bureau and their mission of promoting the region’s culture, heritage and history.

5. A Green City

Charlottesville citizens live in a community with a vibrant urban forest, tree-lined streets, and lush green neighborhoods. We have an extensive natural trail system, along with healthy rivers and streams. We have clean air and water, we emphasize recycling and reuse, and we minimize storm-water runoff. Our homes and buildings are sustainably designed and energy efficient.

- Adds a new item to the Capital Improvement Program for Green City Initiatives (\$50,000) that will provide funding for recommendations made by the Council appointed Sustainability Committee.
- Adds funds for weed cutting in the City’s right-of-way areas (\$25,000).
- Includes one time funding necessary to implement a Stormwater Utility Program, starting in FY 2009, to address the City’s stormwater and environmental needs.

- Continues funding to address the City's neighborhood drainage needs and any emergency drainage projects that occur during the year (\$275,000).
- Continues expansion of the City's recycling program that now includes curbside pickup of plastic bottles and cardboard.
- Fully funds next year's needs and puts funds aside for the environmental remediation of the Ivy Landfill, total funding of \$1.61 M.
- Adds funds to the Capital Improvement Program for urban tree preservation and planting (\$150,000).
- Funds a 4PM pickup of refuse on the Downtown Mall, making permanent a successful pilot program done last year, at a cost of \$25,000.

6. America's Healthiest City

All residents have access to high-quality health care services. We have a community-wide commitment to personal fitness and wellness, and all residents enjoy our outstanding recreational facilities, walking trails, and safe routes to schools. We have a strong support system in place for families and for the elderly and disabled. Our emergency response system is among the nation's best.

- In response to an increase in service calls to the region, this budget establishes an EMS/ambulance service, with a total budget of \$966,122, which will supplement the important and high quality volunteer EMS services provided by the Charlottesville Albemarle Rescue Squad (CARS). This will be paired with a billing system in order to re-coup a portion of the cost of the operations (projected revenue for FY 2008 is \$414,375). The service is expected to be fully operational and the billing process in place by January 2008.
- Funds a full complement of mobile video cameras and computers for all patrol cars, replacement and new defibrillators to be installed in various City buildings and GIS data terminals for Fire command vehicles.
- Adds funding for City employee education programs, including nutrition counseling and education, smoking cessation, and to underwrite the cost of programs such as employee fitness days.
- Expands Parks and Recreation after school program opportunities for the City's youth.
- Funds area non profit agencies focused on providing services to children, youth and families, totaling over \$3.27M.

7. A Connected Community

The City of Charlottesville is part of a comprehensive, regional transportation system that enables citizens of all ages and incomes to easily navigate our community. An efficient and convenient transit system supports mixed use development along our commercial corridors, while bike and pedestrian trail systems, sidewalks, and crosswalks enhance our residential neighborhoods. A regional network of connector roads helps to ensure that residential neighborhood streets remain safe and are not overburdened with cut-through traffic.

- Adds an Assistant Traffic Engineer position, which will provide assistance and support to the City's existing Traffic Engineer on various aspects of transportation and traffic planning issues, including addressing citizen concerns, traffic calming initiatives, making recommendations on traffic signals and developing a regional Intelligent Transportation System (ITS) plan, and acting as the City's liaison with UVA and VDOT on various traffic issues.
- Dedicates funding in the Capital Improvement Program for city wide traffic improvements and the Intelligent Transportation System implementation, a total of \$370,000.
- Infuses a one time investment of \$350,000 to begin catching up on city wide paving needs that have been neglected in past years due to limited funding.
- Increases the new sidewalks and trails budget by \$650,000.
- Continues a dedicated source of funding for sidewalk repairs and new sidewalks to better address connectivity issues between neighborhoods.
- Infuses new funding, \$200,000, into citywide wayfinding/signage initiatives that will improve all levels of signage into and around the City, resulting in more efficient movement of pedestrian and vehicular traffic.
- Adds funds to the Capital Improvement Program for trails and greenways development, a total of \$100,000 in FY 2008.
- Increases transit services by adding a Sunday route to Charlottesville Transit Service's Route 7 bus, the Free Trolley and JAUNT at a cost of \$129,030.
- Implements a piloted Fare Free Month to encourage ridership and promote the benefits of public transportation.

8. Smart, Citizen Focused Government

The delivery of quality services is at the heart of Charlottesville's social compact with its citizens. Charlottesville's approach to customer service ensures that we have safe neighborhoods, strong schools, and a clean environment. We continually work to employ the optimal means of delivering services, and our decisions are informed at every stage by effective communication and active citizen involvement.

- Through departmental reorganization and the elimination of a vacant Assistant City Manager position, resulting in over \$94,000 in savings in the City Manager's Office, continues Council's highly prioritized centralized customer service initiative by funding a new Director of Customer Service Care Center

who will guide the City through full implementation of centralized customer service.

- Increases funds for the preservation, appearance, improvement and maintenance of the City's buildings and infrastructure, especially in physical areas that experience a high volume of customer service transactions with citizens and visitors.
- Provides funds for major renovations to Onesty Pool at Meade Park, Carver, Tonsler, Crow and Smith Recreation Centers, all places heavily used by the public.
- Continues to fund park and school playground renovations to create a better play environment for the youngest of our community.

The FY 2008 City Council Adopted budget clearly starts to progressively fund many of City Council's top priorities and the **2025 Vision for the City**. This budget continues and enhances our high quality city services that help keep Charlottesville a World Class City.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary O'Connell". The signature is stylized with a large, sweeping initial "G" and a cursive "O'Connell".

Gary O'Connell
City Manager



FY 2008 Revenue Changes
(Operating Budget FY 2007 to Operating Budget FY 2008)

Operating Revenue Increases

Real Estate Tax	7,115,000
Personal Property Tax (local portion)	899,256
Sales and Use Tax	1,100,000
Transient Room Tax	310,000
Meals Tax	395,500
Business License Tax	1,176,000
Other Local Taxes	337,519
State Revenue	359,355
Other Intergovernmental Revenue	149,693
Interest Earned	100,000
City/County Revenue Sharing (<i>portion that supports operating budget</i>)	1,589,326
Parking Garage Revenue	300,000
Parks and Recreation Income	117,000
Payment in Lieu of Taxes: Utilities Funds	343,963
Reimbursable Public Safety Overtime	108,000
EMS/Ambulance Service - Billing (<i>6 months</i>)	414,375
FY 2006 Fund Balance Surplus (<i>dedicated to EMS</i>)	551,747
Misc. Revenue, Taxes and Fees	87,544

<u>Total Revenue Increases</u>	15,454,278
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Operating Revenue Reductions

Real Estate Tax - 4-Cent Rate Reduction	(2,000,000)
Utility Taxes/Virginia Communications Sales and Use Tax/E-911/Franchise Fee	(601,738)
Public Service Corporation Tax	(80,100)
Waste Disposal Fees	(275,000)
UVA Trolley Revenue (To be credited to Transit Fund)	(55,000)

<u>Total Revenue Reductions</u>	(3,011,838)
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<u>Net Operating Revenue Change</u>	12,442,440
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FY 2008 Expenditure Changes
(Operating Budget FY 2007 to Operating Budget FY 2008)

City Schools

City Contribution to Schools	4,328,584
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Contributions to Outside Agencies/Transfers

Contributions to Outside Agencies and Civic Organizations	631,877
Contribution to Jefferson/Madison Regional Library	51,043
Transfer to Department of Social Services, Community Attention and Comprehensive Services Act	614,356
Transfer to Charlottesville/Albemarle Convention and Visitor's Bureau	47,636
Contributions to Regional Jail, ECC and Juvenile Detention Center	162,555
Transfer to Transit Fund	78,143

New Initiatives/Expanded Services

EMS/Ambulance Service (New user revenue supported)	966,122
Neighborhood Development Services - Assistant Traffic Engineer Position	80,000
Transit Sunday Service - CTS Route 7, Free Trolley and JAUNT	129,030
Transit Fare Free Month	30,000
Parks and Recreation	
Expanded After School Youth Programs	69,875
Grounds and Tree Maintenance	173,770
Improvement and Expansion of Community Events	20,300
Downtown Mall Refuse Collection (<i>4PM Pickup</i>)	25,000
Weed Cutting in City Right-of-Way Areas	25,000
Summer Youth Internship Program	30,000
Housing Affordability Tax Grant Program (<i>\$350K house value; \$350/\$500 grants based on income up to \$50,000</i>)	168,767

Salary and Benefits

4% Salary Increase and Associated Benefits	1,337,000
Adjustments in Police for Compression (<i>supervisory positions</i>)	145,000
Adjustments in Fire for Compression (<i>supervisor positions</i>) and Career Development	125,000
City Wide Market Rate Adjustments	250,000
Public Safety Employee Retirement	633,505
General Government Employee Retirement	498,747
Salary Adjustment (all full-time employees to minimum \$11 per hour wage)	23,000
Employee Parking Benefit	120,000
Employee Appreciation Day/Week	10,000
Unemployment Compensation	20,000

Other Changes

Landfill Remediation	610,000
Refuse and Recycling Contracts (includes pickup of plastics and cardboard)	69,000
Parks and Recreation Maintenance Services (<i>moved from Capital to Operating budget</i>)	293,590
Police Department Training Funds	50,000
Fixed Costs	272,325
Misc. City Departmental Changes	353,215

<u>Total Operating Expenditure Changes</u>	12,442,440
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INTRODUCTION AND SUMMARY



Acknowledgements

As with many of the programs of the City of Charlottesville, the development of the budget is a team effort. The City Manager's Office develops the budget with the assistance of many other individuals in the City government. This acknowledgment identifies a number of the key individuals who shared in the development of this budget. Many others who assisted are not individually identified. We thank all of you.

City Manager	Gary B. O'Connell
COO/CFO	Aubrey V. Watts, Jr.
Director, Budget and Performance Management	Leslie M. Beauregard
Budget and Utilities Analyst	Ryan Davidson
Agency Budget Review Team	Robert Cox, III, Gretchen Ellis
City Manager's Office	Terry Bentley, Rochelle Small-Toney, Stephanie Smith
CAC Visitors Bureau	Mark Shore
Circuit Court	Paul Garrett, Pat Young
City Attorney	Craig Brown, Barbara Ronan
City Sheriff	Sheriff Cornelia Johnson, Kara Thomas, Mike Baird
Clerk of Council	Jeanne Cox
Commissioner of the Revenue	Lee Richards, Rosalind Collins, Betty Graham
Communications Department	Ric Barrick
Community Attention	Mike Murphy, Chip McElearney
Economic Development	Chris Engel, Blair Morris
Finance Department	Bernard Wray, Sharon O'Hare, Roosevelt Barbour, Judy Barlow, Jim Halter, Krisy Hammill, Michael Heny, Jennifer Luchard, Richard Modie, Beatrice Segal
Fire Department	Chief Charles Werner, Britt Grimm
General District Court	Mary Trimble
General Registrar	Sheri Iachetta
Human Resources	Galloway Beck
Information Technology	Judith Mueller, Barbara Sites
Juvenile & Domestic Relations Court/ Court Services Unit	Martha Carroll
Parks and Recreation	Mike Svetz, Brian Daly, Linda Daly, Rion Summers
Magistrate's Office	Cheryl Thompson
Neighborhood Development Services	Jim Tolbert, Sharon Patterson
Social Services	Robert Cox, III, Diane Kuknyo
Police	Chief Timothy Longo, David Shifflett
Public Works	Judith Mueller, Mary Kay Kotelec, Steve Lawson, Jim McClung, Mike Mollica, Lance Stewart, Chad Thorne, Bill Watterson
Treasurer	Jennifer Brown

Introduction to the Budget

This **Fiscal Year 2007-2008** budget for the City of Charlottesville continues a presentation style that is user-friendly and easily explains the City's fund structure and budget allocations. An Introductory section is followed by sections detailing adopted expenditures for Management, Debt Service, Fund Balance Target Adjustment, Employee Compensation and Training, Internal Services, Financial Services, Healthy Families and Community, Infrastructure and Transportation, Public Safety and Justice, School Operations, the Capital Improvement Program, and Other Non General Funds.

In addition to these broad categories, an index is provided for quick and easy reference. We hope this document is easy to read, interpret, and use in understanding the City's budget for Fiscal Year 2007-2008. Our goal is to provide a straightforward document that provides the citizens of Charlottesville with a clear explanation of how their tax dollars are helping to support a variety of services and programs important to our World Class City.

Contact Information

City Council

David Brown, Mayor
Kendra Hamilton, Vice Mayor
Kevin Lynch
Dave Norris
Julian Taliaferro

dbrowndc@gmail.com
kendra@charlottesville.org
klynch@cstone.net
dave@charlottesville.org
iafctreasurer@adelphia.net

City Manager

Gary B. O'Connell
cityman@charlottesville.org

Clerk of Council

Jeanne Cox
(434) 970-3113
coxj@charlottesville.org

Mailing Address

P.O. Box 911
Charlottesville, VA 22902

Website

www.charlottesville.org

If you have questions or desire more information about the budget, please contact the City Manager's Office at (434) 970-3101 between 8:00 a.m. and 5:00 p.m., Monday through Friday or via the City Manager's e-mail address shown above.

CHARLOTTESVILLE CITY COUNCIL VISION - 2025

Charlottesville: A Great Place to Live for All of Our Citizens

- A leader in innovation, environmental sustainability, and social and economic justice
- Flexible and progressive in anticipating and responding to the needs of our citizens
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Economic Sustainability

Our community has an effective workforce development system that leverages the resources of the University of Virginia, Piedmont Virginia Community College, and our excellent schools to provide ongoing training and educational opportunities to our residents. We have a business-friendly environment in which employers provide well-paying, career-ladder jobs and residents have access to small business opportunities. The Downtown Mall, as the economic hub of the region, features arts and entertainment, shopping, dining, cultural events, and a vibrant City Market. The City has facilitated the development of significant infill commercial and mixed use sites within the City.

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A Green City

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America's Healthiest City

All residents have access to high-quality health care services. We have a community-wide commitment to personal fitness and wellness, and all residents enjoy our outstanding recreational facilities, walking trails, and safe routes to schools. We have a strong support system in place for families and for the elderly and disabled. Our emergency response system is among the nation's best.

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Smart, Citizen-Focused Government

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FY 2007-2008 Budget Calendar

September 1, 2006	FY 2007 Outside Agency Applications Distributed
September 8, 2006	FY 2008 – 2012 Capital Improvement Program Submission Packages Distributed
October 17, 2006	Agency Budgets Due to City and County
October 18, 2006	Capital Improvement Program Requests Due
November 3, 2006	FY 2008 Budget Submission Packages and Instructions Distributed to City Departments
November 20, 2006	Financial Forecast/Budget Guidelines Presented to City Council
November – January.....	FY 2008 Revenue Projection Meetings
December 6, 2006	FY 2008 Budget Submissions Due from City Departments
December – January.....	FY 2008 – 2012 Capital Improvement Program Presented to Planning Commission
December - January	Agency Budget Review with County and City Staff
January – February	Finalize City Manager's FY 2008 Proposed Budget
March 5, 2007	Proposed City and School Operating and Capital Budget Formally Presented to City Council
March 12, 2007	Council Budget Work Session
March 17, 2007	Community Budget Forum
March 19, 2007	First Public Hearing on Proposed Budget
March 20, 2007	Council Budget Work Session
March 28, 2007	Council Budget Work Session
April 2, 2007	Second Public Hearing and First Reading of Proposed Budget
April 4, 2007	Council Budget Work Session
April 10, 2007	Second Reading and Council Adoption of Budget

The Purpose of Budgeting

Budgeting has several major purposes. First and foremost, budgeting is a formal way to convert the City's long-range plans and policies into services and programs for the citizens of the City of Charlottesville. The budget also details these services and programs in terms of costs. The City's budget informs the City Council and the public of the City government's plans for the coming fiscal year (July 1, 2007 - June 30, 2008), and provides the Council with the opportunity to review and decide the level of services to be provided to our citizens.

Budgeting also outlines the revenues (taxes, fees, and others) that are needed to support the City's services, including the rate of taxation to be adopted for the coming fiscal year. Finally, the budget adopted by City Council becomes a work plan of objectives to be accomplished over the coming year.

The City's Fund Structure

The City's financial management system is divided into a number of funds. A separate sum of money is set aside for each fund. Funds are established for special program groups which usually have specific revenue sources associated with their expenditures. The City's major funds are:

1. General Fund (operating)
2. Enterprise Funds (Utilities and Golf Funds)
3. Capital Improvement Program Fund
4. Other Non General Funds

The **General Fund** is usually referred to as the operating fund and is used to finance the day-to-day operations of the City. It is the largest part of the City's total financial operation. Revenues for this fund are obtained from taxes, licenses and permits, intergovernmental revenue, charges for services, fines, interest, and Albemarle County Revenue Sharing funds.

The **Enterprise Funds** consist of the operating and capital budgets of the Gas, Water and Wastewater programs in the City and the Golf Course Fund. These funds account for each of their respective operations as if they were each a separate, self-supporting business.

The **Capital Improvement Program Fund** is used to account for all financial resources that are needed in the acquisition or construction of capital assets. Revenues for this fund are obtained from bond issues, a transfer from the General Fund, a contribution from the City Schools for their small cap program, and contributions from Albemarle County for shared projects.

Other Non General Funds include the following:

- **Equipment Replacement Fund** – Provides funding for a scheduled replacement program for 685 vehicles and pieces of equipment.
- **Facilities Repair Fund** – Provides funding to preserve the City's investment of over \$60 million in non-school facilities, which have annual maintenance requirements.

- **Retirement Fund** – This is a trust fund supported by contributions paid by the City, based on actuarial calculations, that provides City employees with a pension to supplement social security benefits upon retirement.
- **Risk Management Fund** – Provides accounting for the City's risk management program.
- **Debt Service Fund** – Provides necessary funds to retire the City's general government outstanding bond indebtedness and related costs.
- **Health Care Fund** – The Health Care Fund is the funding source for the City's health related benefits provided to participants in the City's health care programs.
- **Communications System Fund** – Provides funds for the City's phone system and mailroom operations.

The Basis of Budgeting

All budgets are presented on the modified accrual basis of accounting, under which revenues and related assets are recorded when measurable and available to finance operations during the year, and expenditures, other than compensated absences and interest on debt, are recorded as the related fund liabilities are incurred. Revenues considered prone to accrual consist primarily of property taxes, certain grants, and sales and utility taxes. Any property taxes that are not due as of June 30th are recorded as deferred revenues. Budgets for City and School operations, Utilities and Debt Service are adopted on an annual basis. Budgets for the Capital Projects Fund and Other Funds are continuing appropriations beyond the fiscal year. It is the intention of the City Council that appropriations for capital projects continue until completion of the project.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The Budget Process

Capital Improvement Program (CIP)

The City's five-year capital improvement process begins in the fall of each year, when City departments are asked to submit their ranked requests for the five-year capital plan. CIP submissions are received by the Budget Office, which organizes and prepares the submissions for review. The CIP Staff Ranking Committee then begins meetings to discuss and, if necessary, re-rank the requested projects. The CIP Staff Ranking Committee consists of staff members from Neighborhood Development Services, Public Works, Budget, Parks and Recreation, Public Safety and one member from a non-CIP requesting department, which for this year's process was Social Services. The CIP is then forwarded to the Executive Committee, which reviews all projects and their criteria scoring, and develops a recommendation that is fiscally sound and reflects the overall priorities of the City and its needs. The CIP Executive Committee consists of the City Manager, COO/CFO, Finance Director, and the Budget Director. The final proposal from the Executive Committee then comes before the Planning Commission for review. Following Planning Commission consideration and approval, the annual budget and revised five-year CIP are forwarded to the City Manager and then to City Council for inclusion in the annual budget.

Operating Budget

The City's operating budget process begins in the fall when departments start to prepare their budget requests and the City Manager presents the City's long-term financial forecast to City Council. Based upon this forecast, City Council adopts its budget priorities and assumptions for the upcoming fiscal year.

From late November to mid December, departmental budget requests and agency budget requests are submitted to the City Manager's Office. In December and January, estimated revenue forecasts are prepared by a revenue team. The Manager's Proposed Budget, along with the School's Budget, is presented to City Council at the beginning of March. A series of City Council work sessions and public hearings are held during the months of March and April. The City and Schools budget is formally adopted by City Council each year by April 15th.

2025 Vision - Strategic Vision

In January 2006, City management and a team of staff began a process of developing the City's first comprehensive Strategic Plan. During a series of focus groups and meetings with a community driven Strategic Planning Steering Committee appointed by City Council, and the community at large, this group developed several strategic priority areas. Once these priority areas were refined and presented to City Council, Council developed them further at their Fall 2006 annual retreat. Over the course of several months, City Council has shaped those priorities to reflect an overall **2025 Vision for the City** (see pages 2-3). While this proposed budget does reflect some of the priorities found in this **2025 Vision**, over the course of the next year, City departments will take these strategic priority areas and create strategic business plans that will align with the broader areas. In addition, performance measures will be developed that will measure success (or failure) of strategic initiatives. This budget begins the process of incorporating Council's Vision.

Budget Adoption

An annual operating budget is adopted for the General Fund. Within the General Fund, budgets are legally adopted at the departmental level. The City Manager is authorized to transfer the budget for personnel cost (salaries and fringe benefits), if necessary, between departments; however, any other revisions that alter the total expenditures of any department or agency must be approved by City Council with an appropriation. Unexpended appropriations lapse at the end of the fiscal year unless carried over by Council action. Budgets for City and School operations, Utilities and Debt Service are adopted on an annual basis. Budgets for the Capital Projects Fund and Other Funds are continuing appropriations beyond the fiscal year. It is the intent of the City Council that appropriations for capital projects continue until completion of the project and that funds accumulated in the Debt Service Fund be dedicated to future debt service.

Legal Budgeting Requirements

City Code Sec. 11-1

The City Manager shall keep the Council fully advised of the City's financial condition and shall, on or before March fifteenth in each year, prepare and submit to the Council a tentative budget for the next fiscal year. Such budget shall be in conformity with the provisions of the Charter and of this Code and the general law, and shall contain estimates of the financial needs and resources of the city for such fiscal year and a program of activities which in the City Manager's judgment will best meet the needs of the City and its people, considering resources available.

City Code Sec. 11-2

The council shall cause to be prepared by the City Manager an annual budget containing all proposed expenditures and estimated revenues and borrowing for the ensuing year, and at least thirty (30) days thereafter shall order a city levy as provided for by state law and sections 14, 19 and 20 of the Charter. The Council shall adopt or approve the annual budget and shall make such city levy prior to April fifteenth in each year.

Budget Guidelines (As Adopted By Council)

1. Maintain the current real estate and personal property tax rates.
2. Develop operational budgets within projected available revenues.
3. Evaluate the efficiency and effectiveness of all activities.
4. Continue the strong commitment to education by allocating up to 40% of new City real estate and property tax revenue to schools.
5. Invest strategically in employees by providing adequate pay, benefits, training, technology resources, support, and appreciation.
6. Annually review the living wage ordinance, "so that every City contract for the provision of non-professional services will require that the contractor pay each employee assigned to perform services a living wage equal to no less than the lowest starting salary for City employees."
7. Fund no new programs or major expansion of existing programs without fully offsetting revenues or reductions in expenditures.
8. Focus on Council's Strategic Vision and Priorities:
 - Economic Sustainability
 - A Center for Lifelong Learning
 - Quality Housing Opportunities for All
 - Charlottesville Arts and Culture
 - A Green City
 - America's Healthiest City
 - A Connected Community
 - Smart, Citizen Focused Government
9. Balance reinvestment in the City's existing infrastructure and facilities and creation of new opportunities for investing in the future of the City, and consider alternative methods of funding for these important strategic investments.
10. Conduct an agency review jointly with Albemarle County, the Commission on Children and Families, and the United Way to scrutinize agency requests for program congruence with Council's priority areas.
11. Transfer at least 3% of general fund operating expenditures to the Capital Improvement Fund.
12. Budget a Council Reserve.
13. Transfer 1-cent of the meals tax revenue to the Debt Service Fund to be reserved for debt service for future bond issues.
14. Budget a Fund Balance Target Adjustment pool of funds to help ensure that the City continues to meet the important financial policy of maintaining an unappropriated fund balance in the General Fund equal to 12% of the City's operating budget.

Long Term Financial Policies

1. Maintain a General Fund balance of 12% of operating expenditures.
2. Maintain sufficient working capital in the Utilities (Water, Wastewater and Gas) and Golf funds.
3. Stabilize all non-general funds by ensuring they have a positive fund balance.
4. Transfer any excess funds from parking fines above the amount budgeted in the General Fund to the Capital Fund for future parking projects.
5. Maintain a debt service to General Fund operating expenditure ratio of 8% or less.

Major Expenditure Highlights of the Budget

- Fully funds the **City Schools'** request with an additional **\$4,328,584** for a total contribution of **\$38,340,609**, an increase of **12.73%**. This figure represents **71.97%** of new **real estate and personal property tax revenues** which is a significant policy shift from the City's current Budget Guideline of providing the Schools with 40% of this new revenue;
- Includes a **Council Reserve** budget of **\$21,884** for Council to use on contingencies and funding needs that occur during the budget process and the fiscal year;
- **Employee Compensation and Training** pool includes the following: a **4% across the board salary increase** starting July 1st (**\$1.32 M**), a pool of funds for market rate salary adjustments as they arise during the year (**\$250,000**), adjustments to Police Department supervisory salaries to address compression issues (**\$145,000**), adjustments to Fire Department supervisor salaries to address compression issues and adds career development into a professional development program open to firefighters and captains (**\$125,000**); a salary adjustment to bring all regular employees up to at least \$11.00 per hour (**\$23,000**); **\$10,000** for an Employee Appreciation Day/Week event that would possibly coincide with the City Employee Picnic held in the fall; an employee parking benefit (**\$120,000**) to help alleviate the parking issues faced by City employees who work in City Hall and the Annex by providing up to a 50% subsidy for each employee who elects to participate.
- Increases the local contribution to the **Comprehensive Services Act** by **\$315,735**, for a total budget of **\$2.26 million**. This is a State mandated program;
- Reflects increases in the City's contribution for general government employee and public safety employees' retirement benefits, as required by the City's retirement actuary and accounting standards, (a total increase of **\$1.13M**);
- Reflects increases in **fixed costs**, including IT User fees, telephone charges, general insurance, workers compensation, warehouse charges, HVAC fees, equipment replacement and vehicle maintenance and fuel charges, totaling **\$272,325**;
- Budgets a **\$5.8 million** General Fund contribution for debt service payments, the \$100,000 increase being dedicated to fire apparatus loan payments. In addition, 25% of the **Meals Tax Revenue** will contribute an additional **\$1.68 million** to the debt service fund, and **\$132,000** is dedicated to debt service from the **County Fire Service Fee Revenue** to pay off the final year of a loan for previously purchased fire apparatus;
- Increases the contribution for environmental remediation of the **Ivy Landfill** by **\$610,000**, for a total budget of **\$1,610,000**, a required mandate by the State Department of Environmental Quality;
- Reflects a net increase in funding to the **Regional Jail**, the **Emergency Communications Center** and the **Blue Ridge Juvenile Detention Center** by **\$162,555**;
- Increases funding to various **arts, educational and human services agencies** by **\$631,877**;
- Reflects an increase in the **recycling and refuse collection contracts** in the amount of **\$69,000**, a portion of which represent the increase due to expanded recycling service, which began in February 2007, to include curbside collection of plastic bottles and cardboard;

New Initiatives and Expanded Services

- In response to the increase in service calls being experienced in the region, this budget implements an **EMS/Ambulance service**, starting January 2008, at an initial cost of **\$966,122**. This service will supplement the important and high level of volunteer EMS services provided by CARS (Charlottesville Albemarle Rescue Squad). This includes funding for an operational budget, eight new Firefighter/Medics, one new Administrative Assistant, a contracted Medical Director and salary adjustments for 11 existing Firefighter/Medics. A billing service, that will bill insurance providers, Medicare and Medicaid, will be in place that is projected to generate **\$414,375** in revenue for the second half of FY 2008. The remainder of the operational costs will be covered by FY 2006 fund balance surplus.
- Adds a new **Assistant Traffic Engineering** position in Neighborhood Development Services, at a total cost of **\$80,000**. The Assistant Traffic Engineer will provide assistance and support to the City's existing Traffic Engineer on various aspects of transportation and traffic planning issues, including addressing citizen concerns, traffic calming initiatives, making recommendations on traffic signals and developing a regional ITS plan, and acting as the City's liaison with UVA and VDOT on various traffic issues.
- Eliminates a vacant Assistant City Manager in the City Manager's Office and in its place, adds a **Customer Service Care Center Director**, resulting in a net savings to the department of over **\$94,000**. Half of this position is funded in the City Manager's Office and the other half from the Utility Billing Office. This position will guide the City through full implementation for Council's highly prioritized Customer Service initiative as the City moves towards a centralized system of providing services to citizens.
- Includes **\$24,990** in funding to absorb **credit card transaction fees**. Citizens will be able to walk into City Hall and pay tickets, registration fees, permits, bus passes, and trash stickers and decals with a credit card, with no customer imposed transaction fee.
- Includes funding for expanded and improved services provided by **Parks and Recreation**:
 - Expanded after school youth programs - **\$69,875**
 - Increased funding for grounds and tree maintenance - **\$173,770**
 - Improvement and expansion of various community events - **\$20,300**;
- Provides for a 6-day per week **refuse pickup on the Downtown Mall (\$25,000)**, providing permanent funding of a successful Downtown Mall refuse pick-up pilot program that took place last year;
- Provides funding for **weed cutting** on sidewalks, drains and curb faces on the City's right-of-way areas (**\$25,000**);
- Adds Sunday service for **Charlottesville Transit Service's Route 7, Free Trolley and JAUNT** at a cost of **\$129,030**. Route 7 would run a bus every 30 minutes from 7:00 a.m. to 6:00 p.m. and the Free Trolley would run every 30 minutes from 8:00 a.m. to 6:00 p.m.

- Offers a piloted **Fare Free Month** to all **Charlottesville Transit Service** riders, at a cost of **\$30,000**, in an effort to increase ridership and educate the population on the benefits of public transportation.
- Expands the **Charlottesville Housing Affordability Tax Grant Program** eligibility requirements by increasing house value limits to \$350,000, and providing grants on a differential basis depending on income limits (\$500 grant for eligible applicants making less than \$25,000 and \$350 for eligible applicants making \$25,000 to \$50,000).
- Continues and expands the **Summer Youth Internship Program** for a second summer (**\$30,000**) providing 32 students, aged 14-18, with an opportunity to work and be exposed to different job settings with City departments, City schools and various non profit agencies.

FY 2008 Capital Improvement Program Highlights

Revenue

- \$3,665,259 General Fund contribution
- \$250,000 General Fund contribution to the Charlottesville Affordable Housing Investment Program
- \$6,558,460 programmed from the FY 2006 fund balance surplus to fund the following:
 - Mobile data computers (Police) and GIS data terminals (Fire)
 - Defibrillators (replacement and new)
 - Mobile video cameras (Police)
 - Charlottesville Affordable Housing Investment Program
 - Fire Station Head Quarters Expansion and Construction
 - Emergency Repairs/Renovations to Crow and Smith Center
 - Strategic investments, and
 - One time implementation costs for the Stormwater Utility initiative
- \$195,500 contribution from the County for a shared project
- \$200,000 contribution from the City schools for the small cap program, and
- \$10.4 million in CY 2007 bonds

...for total FY 2008 Revenue of **\$21.27 million**

Expenditures

- \$1,649,093 million for City Schools capital projects
- \$400,000 for City Schools ADA improvements
- \$2,220,075 for facilities capital projects
- \$3,108,460 for public safety
- \$6,038,442 for transportation and access
- \$2,350,000 for Parks and Recreation
- \$1,650,000 for Strategic Development Initiatives
- \$520,000 for neighborhood improvement projects
- \$325,000 for stormwater initiatives
- \$100,000 for technology infrastructure
- \$50,000 for Green City Initiatives
- \$1,750,000 for the Charlottesville Affordable Housing Investment Program, and
- \$1,108,149 in Contingency Funds

...for total FY 2008 Expenditures of **\$21.27 million**

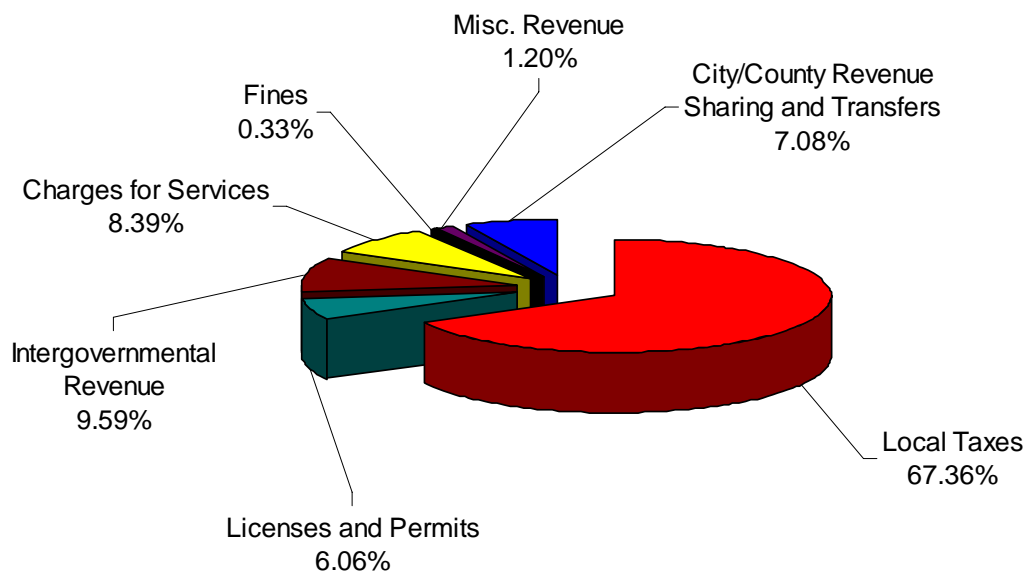
New Capital Improvement Program Initiatives

- **Charlottesville Affordable Housing Investment Program - \$1,750,000** – The FY 2008 funding is the first year of a phased program that will total over \$5M in five years. The mission of this program, as adopted by City Council's Housing Advisory Committee in November 2006, is to meet the housing challenges facing our residents by dedicating, consolidating and expanding financial support for the preservation and production of affordable housing in our community.
- **City Schools ADA Improvements - \$400,000** – This pool of funds will allow the City and Schools to accelerate funding for Schools ADA Improvements, such that all ADA required improvements are funded over the next three fiscal years. Some of the immediate improvements include handicapped accessible bathrooms, automatic door openers, walkways and handrails.
- **Wayfinding (City wide signage) - \$200,000** - This initiative will improve all levels of signage into and around the City, resulting in more efficient movement of pedestrians and vehicular traffic. Improved signage will appear at entrances to the city, directional signs to different sections of city, such as UVA and the Downtown Mall, and signs to better direct pedestrians.
- **Stormwater Utility Implementation - \$50,000** – This one-time expenditure of \$50,000 will allow City staff to complete the planning for the implementation of a Stormwater Utility in FY 2009, to include refining Equivalent Residential Unit calculations for residential and commercial properties, setting up a billing process, and developing a public education campaign.
- **Public Safety Equipment/Technology - \$1,008,460** – This funds a full complement of mobile data computers (60) and mobile video cameras (40) for all patrol vehicles, replacement and new defibrillators to be installed in City buildings, and mobile data GIS terminals for Fire Department command vehicles.
- **Parks and Recreation Facilities Improvements - \$2,350,000** – This pool of funds is dedicated to major parks and school playground renovations, development of trails and greenways, urban tree preservation and planting, major renovations at Onesty Pool and emergency repairs at Carver, Tonsler and Crow/Smith Centers.
- **Green City Initiatives - \$50,000** – This pool of funds will enable implementation of some of the recommendations that will be coming out of the **Sustainability Committee** appointed by City Council.

General Fund Revenue Summary

	FY 2005-2006 Actual	FY 2006-2007 Budget	FY 2007-2008 Budget	Increase/ (Decrease)	% Change
General Fund Revenue					
Local Taxes	\$72,919,135	\$74,453,607	\$82,278,044	\$7,824,437	10.51%
Licenses and Permits	6,922,668	6,225,130	7,401,130	1,176,000	18.89%
Intergovernmental Revenue	11,145,469	11,128,434	11,714,482	586,048	5.27%
Charges for Services	9,564,269	9,505,946	10,250,165	744,219	7.83%
Fines	477,507	405,000	405,000	0	0.00%
Misc. Revenue	1,396,399	1,360,391	1,463,054	102,663	7.55%
City/County Revenue Sharing and Transfers	5,877,748	6,633,816	8,642,889	2,009,073	30.29%
TOTAL OPERATING BUDGET	\$108,303,195	\$109,712,324	\$122,154,764	\$12,442,440	11.34%

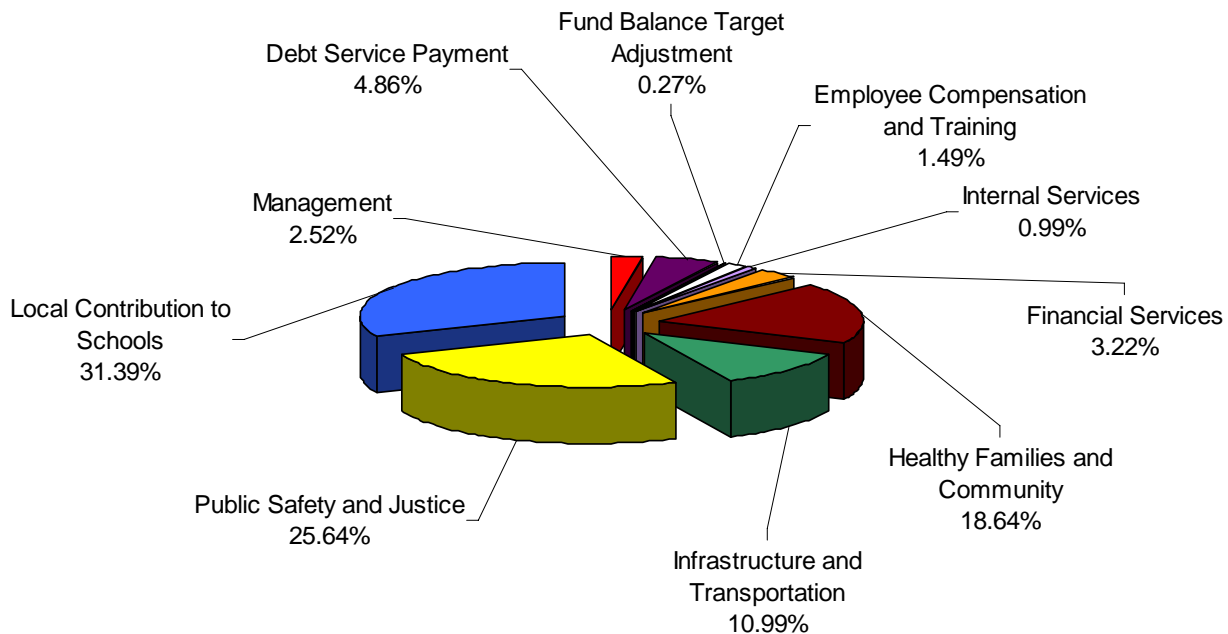
General Fund Revenues



General Fund Expenditure Summary

	FY2005-2006 Actual	FY2006-2007 Budget	FY2007-2008 Budget	Increase/ (Decrease)	% Change
General Fund Expenditures					
Management	\$2,767,743	\$2,864,790	\$3,077,641	\$212,851	7.43%
Debt Service Payment	5,775,000	5,714,000	5,932,000	218,000	3.82%
Fund Balance Target Adjustment	0	323,702	330,194	6,492	2.01%
Employee Compensation and Training	158,986	1,364,980	1,817,064	452,084	33.12%
Internal Services	1,112,112	1,206,785	1,204,404	(2,381)	-0.20%
Financial Services	3,409,580	3,591,651	3,934,675	343,024	9.55%
Healthy Families and Community	17,478,741	19,968,390	22,774,985	2,806,595	14.06%
Infrastructure and Transportation	9,605,017	12,004,928	13,423,256	1,418,328	11.81%
Public Safety and Justice	26,573,922	28,661,073	31,319,936	2,658,863	9.28%
Local Contribution to Schools	32,100,025	34,012,025	38,340,609	4,328,584	12.73%
TOTAL OPERATING BUDGET	\$98,981,126	\$109,712,324	\$122,154,764	\$12,442,440	11.34%

General Fund Expenditures



Explanation of Revenues

Services provided by the City of Charlottesville are funded by a variety of revenue sources: local, state, federal, and grant revenues. When preparing revenue estimates for the budget, a team of staff reviewed prior year revenue activity, current year to date activity, and future factors that will affect the City's economic vitality. City staff uses four different revenue projection techniques in order to ensure the accuracy of the revenue projections.

- Informed/Expert Judgment (e.g. the advice of a department head)
- Deterministic Techniques (e.g. formulaic revenues)
- Time Series Techniques (e.g. moving averages and predictive statistics)
- Estimates from the Commonwealth of Virginia (e.g. transfer payments)

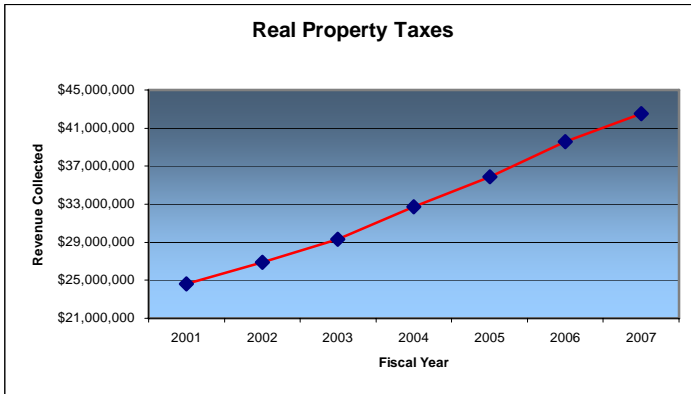
In practice, most revenue projections combine two or more of these techniques. Generally the amount of revenue available to the City depends on current and future economic activity. Below is a listing of the major revenue sources for the City of Charlottesville, which make up 86.07% of the total General Fund revenues collected by the City of Charlottesville.

<u>Revenue Source</u>	<u>FY 2008 Projection</u>	<u>% of General Fund Total Revenues</u>
Real Estate Taxes	\$ 47,655,000	35.39%
City/County Revenue Sharing	13,212,401	9.81%
Sales & Use Taxes	10,300,000	7.65%
Other State Assistance	6,989,915	5.19%
Meals Tax	6,727,405	5.00%
Personal Property Taxes	6,301,000	4.68%
Business & Professional Licenses	5,976,000	4.44%
Utility Tax	4,863,822	3.61%
Payment in Lieu of Taxes: Utilities	4,693,828	3.49%
PPTRA	3,498,256	2.60%
Transient Room Tax	2,310,000	1.72%
Virginia Communications Sales & Use Tax	2,261,440	1.68%
Public Service Corporation Taxes	1,119,900	0.83%
TOTAL	\$ 115,908,967	86.07%

In the following section, a graph has been presented for each of the major revenues listed in the above chart. This provides a graphical representation of the trend data that was used when the revenue projections were made for Fiscal Year 2008. The data in the graphs represents the amount of actual revenue collected for Fiscal Years 2001 – 2006, and the appropriated amounts for Fiscal Year 2007, all of which were important factors in projecting the revenues for Fiscal Year 2008.

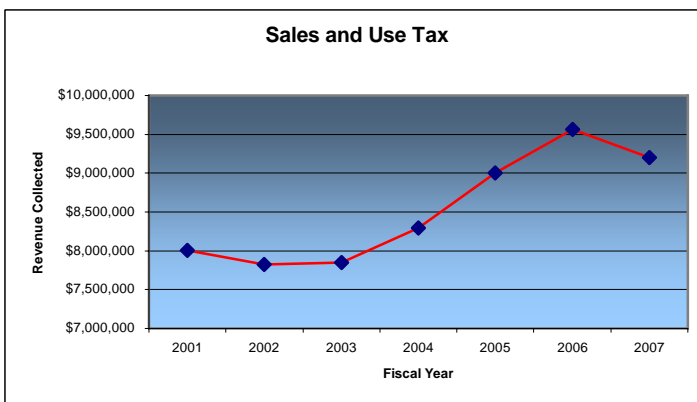
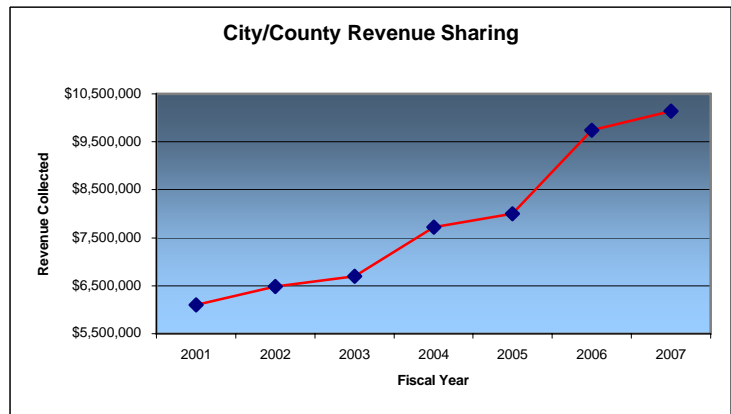
Beginning in January 2007, the E-911 Fee, Cable Franchise Fee, and Utility Taxes (Telephone and Cable) have been rolled into one revenue stream called the Virginia Communications Sales and Use Tax. This is a State administered tax and the City is reimbursed on a monthly basis. This consolidation of taxes has resulted in inaccurate trend data for the Utility Tax and Virginia Communications Sales and Use Tax revenue items and therefore those trends are not included in the following graphs.

Major Local Revenue – Descriptions and Trend Data

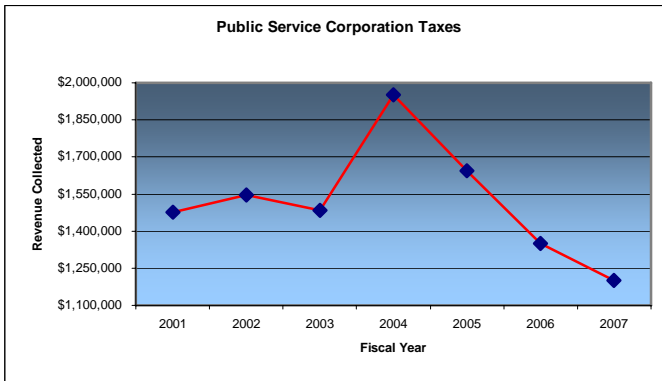


Real Property Taxes are the largest source of revenue for the City. They are *ad valorem* taxes based on the assessed value of real property owned by businesses, individuals, and corporations. They are assessed at 100% valuation, with tax rates being applied per \$100 of assessed value. **The adopted tax rate for FY 2008 is \$.95 per \$100 of assessed value.**

City/County Revenue Sharing is based on an agreement between the City of Charlottesville and the County of Albemarle dated February 17, 1982. The agreement requires the County to contribute a portion of its real property tax base to the City in exchange for the City's agreement to forgo annexation of any County property. The amount from the County is equal to 1/10 of 1% of the County's total assessed property values in the preceding fiscal year.

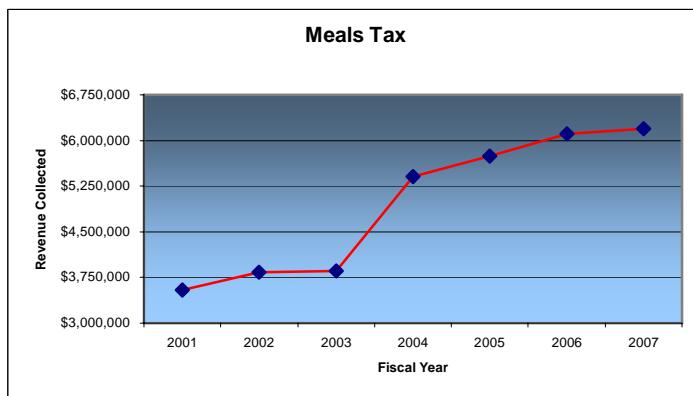
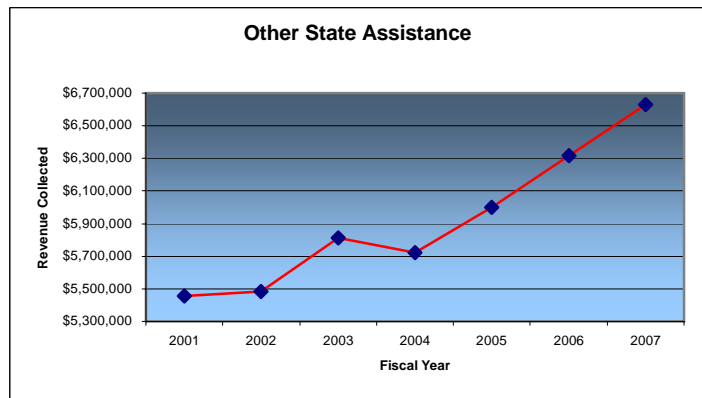


Sales and Use Taxes are revenues received by the City from 1 cent of the 5-cent State sales tax generated within the City. This revenue has been a very strong performer the past several years, resulting in the large increase projected for FY 2008 in the amount of \$1.1M. **The current Sales Tax rate is 5% for general sales purchases and 2.5% for non-prepared foods (implemented July 1, 2005).**

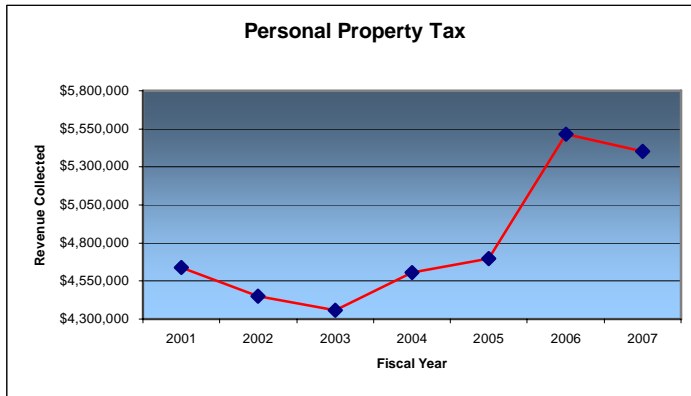


Public Service Corporation Taxes are levied on the real estate and tangible property owned by railroads, utilities, pipelines, and other businesses required to register with the State Corporation Commission. These revenues are expected to decrease due to adjustments made to the depreciation method for computer equipment, furniture and office equipment, and central office equipment which then decreased the assessments over the prior year.

Other State Assistance consists of three major revenue items, which are: **Constitutional Officer Reimbursement**, which is determined by the State Compensation Board on an annual basis as funds for the elected official offices, including the Treasurer, Commissioner of Revenue, Sheriff, Clerk of the Circuit Court, and Commonwealth's Attorney; **State Highway Assistance**, is highway maintenance funds received from the State, and are based on a formula approved by the General Assembly which includes road type, lane miles, and rate of pavement per lane mile; and, **State Aid for Police Protection**, where the amount of revenue received by the localities is based upon a proportional formula that uses the adjusted crime rate index for the locality as its base.

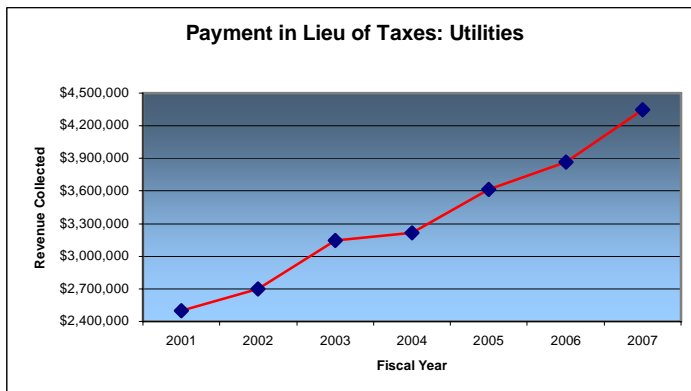
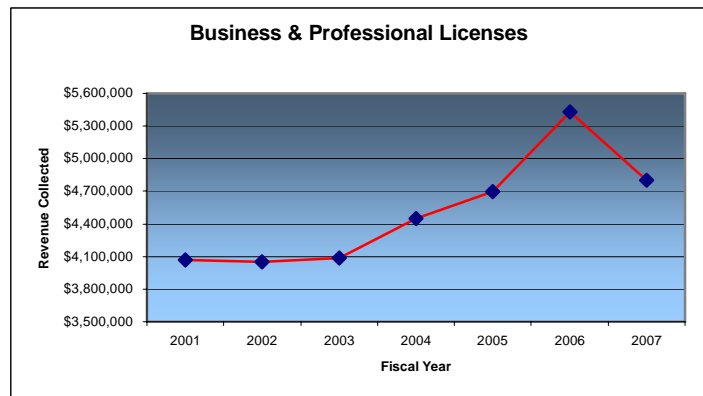


Meals Tax is assessed on the sales price of prepared food and beverages sold in the City. Twenty-five cents of each dollar collected is dedicated to the Debt Service Fund to pay off the future debt of bond issuances used to pay for capital projects. The remaining \$.75 of each dollar is dedicated to the General Fund. **The current rate is 4%.**

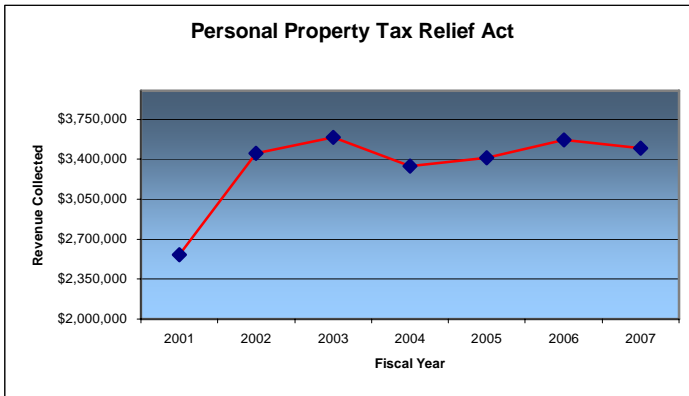


Personal Property Taxes are levied on vehicles owned by individuals and businesses, as well as tangible property owned by businesses. In the fall of 2005, City Council approved changing the valuation method of personal property from average loan value to trade in value, resulting in an additional \$500,000 of revenue in FY 2007. **The adopted tax rate for FY 2008 is \$4.20 per \$100 of assessed value.**

Licenses and Permits are revenues collected from permits and privilege fees required by the City. The largest of these sources is the **Business and Professional Licenses**, which is estimated to bring in over \$5.9 M in FY 2008

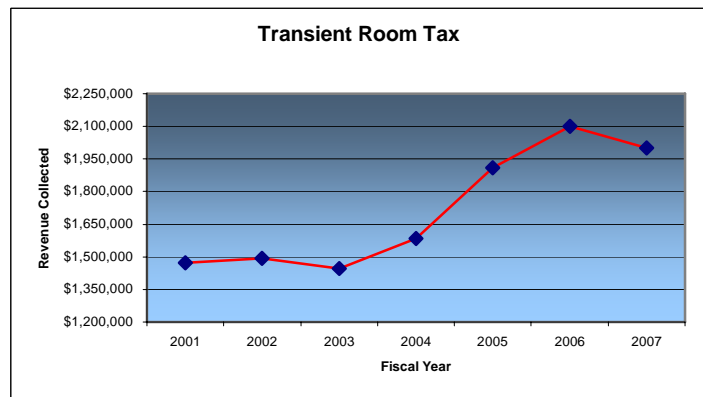


Payment in Lieu of Taxes: Utilities covers the property taxes and business licenses that city-owned water, sewer, and gas operations would pay if they were private businesses. The payment in lieu of taxes for the utilities is calculated by a predetermined formula. In FY 2008 this revenue item is estimated to bring in just over \$4.6 million.



PPTRA is the State reimbursement to the localities for those vehicles that qualify for reduced personal property tax rates under the Personal Property Tax Relief Act. Recent legislation, SB 5005, establishes what amounts to a fixed, annual block grant to localities, the proceeds of which must be used to provide relief to the owners of qualifying vehicles. The State's obligation is capped and made certain and localities are provided greater flexibility in determining how relief is to be distributed.

Transient Room Tax, often called the lodging tax, consists of taxes assessed on the use of rooms in hotels, motels, and boarding houses. This revenue has also seen strong performance, with some months showing a 90% occupancy rate. **The current tax rate is 6%.**



Adopted Tax and Fee Rates

	Adopted Fiscal Year 2007-2008	Adopted Fiscal Year 2006-2007
Real Estate Tax	\$0.95/\$100 Assessed Value	\$0.99/\$100 Assessed Value
Personal Property Tax	\$4.20/\$100 Assessed Value	\$4.20/\$100 Assessed Value
Machinery and Tools Tax	\$4.20/\$100 Assessed Value	\$4.20/\$100 Assessed Value
Mobile Home Tax	\$0.95/\$100 Assessed Value	\$0.99/\$100 Assessed Value
Sales Tax* - General	5.0%	5.0%
Sales Tax - Food (Excludes prepared food)**	2.5%	2.5%
Restaurant/Meals Tax	4.0%	4.0%
Lodging Tax	6%	6%
Cigarette Tax	\$.35 per pack	\$.25 per pack
E-911 Fee***	\$.75/phone line	\$1.50/phone line
Cable Franchise Fee***	5%	10%
PEG Fee (Cable)***	\$.35/month	\$.35/month
Utility Taxes (Gas, Water, Wastewater, Electric)	10%	10%
Utility Taxes (Telephone and Cable)***	5%	10%
Refuse Collection		
Trash Sticker Fee	13 Gallon - \$1.05 each 32 Gallon - \$2.10 each	13 Gallon - \$1.05 each 32 Gallon - \$2.10 each
Trash Decal Fee	\$94.50 (purchased 7/1-9/30) \$68.25 (purchased from 10/1-12/31) \$46.25 (purchased 1/1-3/31) \$23.25 (purchased 4/1-6/30)	\$94.50 (purchased 7/1-9/30) \$68.25 (purchased from 10/1-12/31) \$46.25 (purchased 1/1-3/31) \$23.25 (purchased 4/1-6/30)
Large Item Pickup Fee	\$25.00 per occurrence	\$25.00 per occurrence
Motor Vehicle License Fee	Up to 4,000 lbs. - \$28.50 4,000 - 6,500 lbs. - \$33.50 Over 6,500 lbs. - \$33.50 Motorcycles - \$8.50	Up to 4,000 lbs. - \$28.50 4,000 - 6,500 lbs. - \$33.50 Over 6,500 lbs. - \$33.50 Motorcycles - \$8.50
Courthouse Maintenance Fee	\$2.00 per court case	\$2.00 per court case
Courtroom Security Fee	\$5.00 per conviction	\$5.00 per conviction

* Of this 5% collected by the State, 1% is returned to the locality to support public education.

** This second Sales Tax rate for non-prepared foods (i.e., grocery stores) was adopted by the State as of July 1, 2005.

*** Starting in January 2007, these taxes are rolled into one revenue stream called the **Virginia Communications Sales and Use Tax**. The tax rates are set by the State in an effort to streamline communications taxes. The revenue is also collected by the State and the City is reimbursed on a monthly basis. It is still considered a local tax.

General Fund Revenue Detailed

	FY 2005-2006 Actual	FY 2006-2007 Budget	FY 2007-2008 Budget	Increase/ (Decrease)	% Change
LOCAL TAXES					
Real Estate Taxes	\$39,575,656	\$42,540,000	\$47,655,000	\$5,115,000	12.02%
Personal Property Tax	5,495,901	5,401,744	6,301,000	899,256	16.65%
Public Service Corporation Tax	1,349,287	1,200,000	1,119,900	(80,100)	-6.68%
Pen/Int on Delinquent Taxes	409,479	350,000	350,000	0	0.00%
Utility Taxes (City Utilities and Electric)	7,124,868	7,000,000	4,863,822	(2,136,178)	-30.52%
Virginia Communications Sales and Use Tax	0	0	2,261,440	2,261,440	100.00%
Franchise Taxes (See <i>VA Communications Sales and Use Tax</i>)	420,114	378,000	0	(378,000)	-100.00%
Tax on Bank Stock	620,707	400,000	500,000	100,000	25.00%
Tax on Wills & Deeds	786,322	450,000	550,000	100,000	22.22%
Sales & Use Tax	9,565,490	9,200,000	10,300,000	1,100,000	11.96%
Rolling Stock Tax	18,454	17,498	16,694	(804)	-4.59%
Transient Room Tax	2,100,084	2,000,000	2,310,000	310,000	15.50%
Meals Tax	4,586,874	4,650,000	5,045,500	395,500	8.51%
Short-Term Rental Tax	57,649	59,251	55,340	(3,911)	-6.60%
Cigarette Tax	544,900	566,500	695,000	128,500	22.68%
Recordation Tax Receipts	154,149	140,414	154,148	13,734	9.78%
Vehicle Daily Rental Tax	109,201	100,200	100,200	0	0.00%
Taxes Subtotal	\$72,919,135	\$74,453,607	\$82,278,044	\$7,824,437	10.51%
LICENSES AND PERMITS					
Business & Professional Licenses	\$5,432,749	\$4,800,000	\$5,976,000	\$1,176,000	24.50%
Vehicle Licenses	738,914	780,000	780,000	0	0.00%
Dog Licenses	5,033	4,500	4,500	0	0.00%
Electrical, Heating and Mechanical Permits	171,491	140,000	140,000	0	0.00%
Building and Plumbing Permits	398,194	330,630	330,630	0	0.00%
Other Permits	176,287	170,000	170,000	0	0.00%
Licenses and Permits Subtotal	\$6,922,668	\$6,225,130	\$7,401,130	\$1,176,000	18.89%
INTERGOVERNMENTAL REVENUE					
<i>Revenue from Federal Agencies</i>					
Federal Assistance (CDBG Admin., etc.)	\$194,480	\$60,000	\$60,000	0	0.00%
<i>Revenue from State Agencies</i>					
PPTRA Revenue (State Personal Property Tax)	3,572,479	3,498,256	3,498,256	0	0.00%
State Highway Assistance	3,004,785	3,097,489	3,190,414	92,925	3.00%
Reimbursement/Constitutional Offices	1,184,046	1,151,092	1,282,658	131,566	11.43%
ABC Board	48,148	48,147	48,147	0	0.00%
State Aid for Police Protection	2,126,800	2,381,979	2,516,843	134,864	5.66%
Trailer Title	2,595	2,000	2,500	500	25.00%
Other State Assistance: Misc Rev	198,449	40,000	40,000	0	0.00%
<i>Revenue from Other Intergovernmental Sources</i>					
Jefferson Area Drug Enforcement (JADE)	54,000	48,000	48,000	0	0.00%
School Resource Officers (City Schools)	145,551	167,847	230,663	62,816	37.42%
School Communications Services (City Schools)	15,000	0	0	0	0.00%
Regional Library Administrative Fee	100,477	108,644	103,556	(5,088)	-4.68%
Fire Department Ops (Albemarle County)	149,113	136,000	268,000	132,000	97.06%
Juvenile & Domestic Relations Court (Albemarle County)	55,045	50,051	54,111	4,060	8.11%
Magistrate's Office (Albemarle County)	3,517	5,285	5,450	165	3.12%
Commission on Children and Families (Albemarle County)	0	0	83,558	83,558	100.00%
Payments In Lieu Of Taxes (Housing Authority)	14,108	25,000	15,000	(10,000)	-40.00%
Fire Department Ops (UVA)	165,375	173,644	182,326	8,682	5.00%
Service Charge (UVA)	35,665	35,000	35,000	0	0.00%
Trolley Assistance (UVA)	45,000	50,000	0	(50,000)	-100.00%
Property Maintenance (UVA)	30,836	50,000	50,000	0	0.00%
Intergovernmental Revenue Subtotal	\$11,145,469	\$11,128,434	\$11,714,482	\$586,048	5.27%

	FY 2005-2006 Actual	FY 2006-2007 Budget	FY 2007-2008 Budget	Increase/ (Decrease)	% Change
CHARGES FOR SERVICE					
Property Transfer Fees	\$1,412	\$1,100	\$1,100	\$0	0.00%
City Sheriff's Fees	6,212	6,200	6,200	0	0.00%
Zoning Appeal Fees	800	750	750	0	0.00%
Court Revenue (Circ/Genl Dist Cts)	872,280	750,000	800,000	50,000	6.67%
Parking Meter Receipts	102,481	80,000	100,000	20,000	25.00%
Parking Garage Revenue	1,031,131	500,000	800,000	300,000	60.00%
Internal City Services	862,031	918,531	936,912	18,381	2.00%
Utility Cut Permits	176,694	150,000	150,000	0	0.00%
Recreation Income	505,633	540,000	657,000	117,000	21.67%
E-911 Service Charge (See <i>VA Communications Sales & Use Tax</i>)	432,292	349,000	0	(349,000)	-100.00%
Cemetery Income	0	3,500	0	(3,500)	-100.00%
Reimbursable Overtime	132,584	107,000	215,000	108,000	100.93%
Parking Permit Fees	67,897	50,000	50,000	0	0.00%
Payment in Lieu of Taxes: Utilities	3,867,562	4,349,865	4,693,828	343,963	7.91%
Indirect Cost Recovery	240,285	200,000	200,000	0	0.00%
Waste Disposal Fees	1,134,032	1,400,000	1,125,000	(275,000)	-19.64%
EMS/Ambulance Service	0	0	414,375	414,375	100.00%
Other Charges and Fees for Services	130,943	100,000	100,000	0	0.00%
Charges for Service Subtotal	\$9,564,269	\$9,505,946	\$10,250,165	\$744,219	7.83%
FINES					
Parking Fines	\$477,507	\$405,000	\$405,000	\$0	0.00%
Fines Subtotal	\$477,507	\$405,000	\$405,000	\$0	0.00%
MISCELLANEOUS REVENUE					
Interest Earned	\$509,683	\$600,000	\$700,000	\$100,000	16.67%
Rent	331,229	296,266	276,759	(19,507)	-6.58%
Hedgerow Property Revenue (Parking and Rent)	16,778	164,610	171,295	6,685	4.06%
Refund of Prior Years' Expenditures	41,898	30,000	30,000	0	0.00%
Parking Garage Maintenance	50,000	0	0	0	0.00%
Other Miscellaneous Revenue	446,811	269,515	285,000	15,485	5.75%
Miscellaneous Revenue Subtotal	\$1,396,399	\$1,360,391	\$1,463,054	\$102,663	7.55%
COUNTY FIRE SERVICE FEES DEDICATED TO DEBT SERVICE FUND					
	\$375,000	\$264,000	\$132,000	(\$132,000)	-50.00%
FY 2006 FUND BALANCE SURPLUS (EMS/AMBULANCE SERVICE OPERATIONS)					
	\$0	\$0	\$551,747	\$551,747	100.00%
CITY/COUNTY REVENUE SHARING: OPERATING BUDGET	\$5,502,748	\$6,369,816	\$7,959,142	\$1,589,326	24.95%
OPERATING BUDGET TOTAL	\$108,303,195	\$109,712,324	\$122,154,764	\$12,442,440	11.34%
DESIGNATED REVENUE					
Contractual Services: Pupil Transportation	\$1,717,557	\$2,132,031	\$2,423,951	\$291,920	13.69%
Contractual Services: School Building Maintenance	2,713,567	2,985,851	3,148,921	163,070	5.46%
City/County Revenue Sharing: Transfer to Capital Improvement Fund	3,840,000	3,315,000	3,665,259	350,259	10.57%
City/County Revenue Sharing: Transfer to Capital Improvement Fund (CAHIP)	0	0	250,000	250,000	100.00%
City/County Revenue Sharing: Transfer to Facilities Repair Fund	400,000	450,000	500,000	50,000	11.11%
City/County Revenue Sharing: Transfer to Equipment Replacement Fund	0	0	838,000	838,000	100.00%
Meals Tax Revenue: Transfer to Debt Service Fund	1,528,958	1,550,000	1,681,905	131,905	8.51%
DESIGNATED REVENUE TOTAL	10,200,082	10,432,882	12,508,036	\$2,075,154	19.89%
TOTAL CITY BUDGET	\$118,503,277	\$120,145,206	\$134,662,800	\$14,517,594	12.08%
CITY SCHOOLS BUDGET					
	FY 2005-2006 Actual	FY 2006-2007 Budget	FY 2007-2008 Budget	Increase/ (Decrease)	% Change
SCHOOL OPERATIONS (SCHOOL GENERAL FUND)					
Local Contribution	\$32,100,025	\$34,012,025	\$38,340,609	\$4,328,584	12.73%
State Funds	15,199,841	16,406,488	16,100,590	(305,898)	-1.86%
Federal Funds	75,904	159,020	159,020	0	0.00%
Misc. Revenue	1,620,373	1,247,805	1,221,115	(26,690)	-2.14%
TOTAL SCHOOL OPERATIONS BUDGET	\$48,996,143	\$51,825,338	\$55,821,334	\$3,995,996	7.71%

Non General Funds Revenue Detailed

	FY 2005-2006 Actual	FY 2006-2007 Budget	FY 2007-2008 Budget	Increase/ (Decrease)	% Change
GOLF COURSE FUND					
Sales and Concessions	\$75,436	\$110,808	\$129,500	\$18,692	16.87%
Greens Fees, Lessons, Etc.	566,796	670,997	826,990	155,993	23.25%
Cart Rentals	247,835	296,984	315,000	18,016	6.07%
Annual Memberships	74,800	90,039	92,500	2,461	2.73%
Misc. Revenue	17,929	2,369	20,000	17,631	744.24%
GOLF COURSE FUND REVENUE TOTAL	\$982,796	\$1,171,197	\$1,383,990	\$212,793	18.17%
DEPARTMENT OF SOCIAL SERVICES FUND					
Intergovernmental Revenue	\$9,565,326	\$10,475,688	\$10,763,408	\$287,720	2.75%
Transfer from General Fund	2,245,358	2,970,468	3,255,236	284,768	9.59%
DEPARTMENT OF SOCIAL SERVICES FUND REVENUE SUBTOTAL	\$11,810,684	\$13,446,156	\$14,018,644	\$572,488	4.26%
COMMUNITY ATTENTION FUND					
Intergovernmental Revenue	\$226,837	\$595,606	\$598,850	\$3,244	0.54%
Welfare Revenue	1,773,566	1,524,084	1,560,123		
Transfer from General Fund	105,966	127,339	141,192	13,853	10.88%
COMMUNITY ATTENTION FUND REVENUE SUBTOTAL	\$2,106,369	\$2,247,029	\$2,300,165	\$53,136	2.36%
WATER (OPERATIONAL AND DEBT SERVICE FUNDS)					
Water Sales Revenue	\$7,567,331	\$7,892,613	\$8,349,689	\$457,076	5.79%
Water Connection Fees	107,212	129,000	129,000	0	0.00%
Other Fees	38,143	65,000	65,000	0	0.00%
Bond Proceeds	0	1,500,000	1,500,000	0	0.00%
Transfer from Other Funds	946,880	875,000	875,000	0	0.00%
WATER FUND REVENUE TOTAL	\$8,659,566	\$10,461,613	\$10,918,689	\$457,076	4.37%
WASTEWATER (OPERATIONAL AND DEBT SERVICE FUNDS)					
Wastewater Sales Revenue	\$6,479,771	\$6,407,429	\$7,325,046	\$917,617	14.32%
Wastewater Connection Fees	9,650	75,000	20,000	(55,000)	-73.33%
Wastewater Charge	47,697	48,000	56,000	8,000	16.67%
Other Fees	18,928	12,000	0	(12,000)	-100.00%
Bond Proceeds	0	1,500,000	1,500,000	0	0.00%
Transfer from Other Funds	567,783	430,000	430,000	0	0.00%
WASTEWATER REVENUE TOTAL	\$7,123,829	\$8,472,429	\$9,331,046	\$858,617	10.13%
GAS (OPERATIONAL AND DEBT SERVICE FUNDS)					
Gas Sales Revenue	\$38,094,770	\$34,058,259	\$34,586,285	\$528,026	1.55%
Other Fees	647,739	175,000	325,000	150,000	85.71%
Transfer from Other Funds	993,055	940,000	940,000	0	0.00%
GAS REVENUE TOTAL	\$39,735,564	\$35,173,259	\$35,851,285	\$678,026	1.93%

	FY 2005-2006 Actual	FY 2006-2007 Budget	FY 2007-2008 Budget	Increase/ (Decrease)	% Change
TRANSIT FUND					
Intergovernmental Revenue (Transit Operations)	\$2,846,691	\$2,660,837	\$2,835,544	\$174,707	6.57%
Intergovernmental Revenue (Transit Bus Replacement)	166,021	2,546,483	1,555,738	(990,745)	-38.91%
Transfer from Capital Improvement Program (Local Match)	0	383,203	230,637	(152,566)	-39.81%
Charges for Services	691,100	622,599	671,762	49,163	7.90%
Transfer from General Fund	814,939	1,386,953	1,594,126	207,173	14.94%
Misc. Revenue	12,011	123,596	52,908	(70,688)	-57.19%
TRANSIT FUND REVENUE TOTAL	\$4,530,762	\$7,723,671	\$6,940,715	(\$782,956)	-10.14%
FLEET MANAGEMENT FUND					
Charges for Services	\$2,619,661	\$2,627,020	\$1,014,705	(\$1,612,315)	-61.37%
FLEET MANAGEMENT FUND REVENUE TOTAL	\$2,619,661	\$2,627,020	\$1,014,705	(\$1,612,315)	-61.37%
HVAC FUND					
Charges for Services	\$1,086,210	\$315,538	\$360,892	\$45,354	14.37%
HVAC FUND REVENUE TOTAL	\$1,086,210	\$315,538	\$360,892	\$45,354	14.37%
INFORMATION TECHNOLOGY FUND					
Charges for Services	\$1,931,733	\$2,106,801	\$2,298,227	\$191,426	9.09%
Transfer from Gas Fund (City Link Operations)	0	1,200,000	1,250,000	50,000	4.17%
Transfer from Non General Funds (City Link Operations)	0	200,000	200,000	0	0.00%
INFORMATION TECHNOLOGY FUND REVENUE TOTAL	\$1,931,733	\$3,506,801	\$3,748,227	\$241,426	6.88%
WAREHOUSE FUND					
Charges for Services	\$822,942	\$263,039	\$141,531	(\$121,508)	-46.19%
WAREHOUSE FUND REVENUE TOTAL	\$822,942	\$263,039	\$141,531	(\$121,508)	-46.19%
C'VILLE/ALBEMARLE VISITORS CENTER FUND					
Intergovernmental Revenue	\$387,138	\$424,796	\$476,181	\$51,385	12.10%
Charges for Services	111,572	86,500	83,000	(3,500)	-4.05%
Transfer from General Fund	475,592	477,385	525,021	47,636	9.98%
Misc. Revenue	0	6,000	2,000	(4,000)	-66.67%
VISITOR'S CENTER FUND REVENUE TOTAL	\$974,302	\$994,681	\$1,086,202	\$91,521	9.20%
CITY SCHOOLS BUDGET					
	FY 2005-2006 Actual	FY 2006-2007 Budget	FY 2007-2008 Budget	Increase/ (Decrease)	% Change
SCHOOL OPERATIONS (NON GENERAL FUNDS)					
State Revenue	\$3,481,247	\$3,468,657	\$3,856,332	\$387,675	11.18%
Federal Revenue	4,569,509	5,079,813	5,069,986	(9,827)	-0.19%
Misc. Revenue	1,738,400	1,371,628	1,330,611	(366,772)	-2.99%
SCHOOL OPERATIONS (NON GENERAL FUND) REVENUE TOTAL	\$9,789,156	\$9,920,098	\$10,256,929	\$336,831	3.40%

Expenditures Detailed

	FY2005-2006 General Fund Actual	FY2006-2007 General Fund Budget	FY2007-2008 General Fund Budget	FY2005-2006 Other Funds Actual	FY2006-2007 Other Funds Budget	FY2007-2008 Other Funds Budget
MANAGEMENT						
Council Reserve	\$37,574	\$25,000	\$21,884	\$0	\$0	\$0
Mayor and City Council	175,960	181,845	226,691	0	0	0
Office of the City Manager/Administration and Communications	1,094,179	1,107,958	1,120,055	0	0	0
Office of the City Manager/ Office of Economic Development	481,167	506,828	542,853	0	0	0
City Attorney	521,086	618,734	680,862	0	0	0
General Registrar	365,933	304,797	368,121	0	0	0
Organizational Memberships	91,844	119,628	117,175	0	0	0
MANAGEMENT SUBTOTAL	\$2,767,743	\$2,864,790	\$3,077,641	\$0	\$0	\$0
DEBT SERVICE PAYMENT						
General Fund Contribution	\$5,400,000	\$5,450,000	\$5,450,000	\$0	\$0	0
General Fund Contribution - Fire Apparatus	0	0	350,000	0	0	0
County Fire Service Fee Contribution	375,000	264,000	132,000	0	0	0
DEBT SERVICE PAYMENT SUBTOTAL	\$5,775,000	\$5,714,000	\$5,932,000	\$0	\$0	\$0
FUND BALANCE TARGET ADJUSTMENT/DEPARTMENTAL SAVINGS						
Fund Balance Target Adjustment	\$0	\$478,157	\$500,000	\$0	\$0	0
City Wide Departmental Savings	0	(154,455)	(169,806)			
FUND BALANCE TARGET ADJUSTMENT/DEPARTMENTAL SAVINGS	\$0	\$323,702	\$330,194	\$0	\$0	\$0
EMPLOYEE COMPENSATION AND TRAINING						
Compensation - 4% Salary Increase and Associated Benefits	\$75,822	\$1,590,980	\$1,320,754	\$0	\$0	\$0
City Wide Attrition Savings	0	(300,000)	(300,000)	0	0	0
City Wide Market Rate Adjustments	0	0	250,000	0	0	0
Police Department Adjustments	0	0	145,000	0	0	0
Fire Department Adjustments	0	0	125,000	0	0	0
Unemployment Compensation	64,129	40,000	60,000	0	0	0
Corporate Training Fund	19,035	34,000	35,000	0	0	0
Miscellaneous Expenses	0	0	181,310	0	0	0
EMPLOYEE COMPENSATION AND TRAINING SUBTOTAL	\$158,986	\$1,364,980	\$1,817,064	\$0	\$0	\$0
INTERNAL SERVICES						
Business Services	\$239,800	\$239,800	\$0	\$0	\$0	\$0
Finance Department: Purchasing/Risk Management/Warehouse	87,243	74,344	238,076	2,599,038	2,370,526	2,313,585
Human Resources	785,069	892,641	966,328	0	0	0
Information Technology	0	0	0	1,964,501	3,506,801	3,748,227
INTERNAL SERVICES SUBTOTAL	\$1,112,112	\$1,206,785	\$1,204,404	\$4,563,539	\$5,877,327	\$6,061,812
FINANCIAL SERVICES						
Commissioner of the Revenue	\$806,533	\$870,321	\$957,857	\$0	\$0	\$0
Finance Department: Management/Real Estate Assessment/ Utility Billing Office	1,562,983	1,660,475	1,889,673	1,286,248	1,220,464	1,475,424
Treasurer	1,040,064	1,060,855	1,087,145	0	0	0
FINANCIAL SERVICES SUBTOTAL	\$3,409,580	\$3,591,651	\$3,934,675	\$1,286,248	\$1,220,464	\$1,475,424

	FY2005-2006 General Fund Actual	FY2006-2007 General Fund Budget	FY2007-2008 General Fund Budget	FY2005-2006 Other Funds Actual	FY2006-2007 Other Funds Budget	FY2007-2008 Other Funds Budget
HEALTHY FAMILIES & COMMUNITY						
Charlottesville/Albemarle Convention and Visitors Bureau	\$475,592	\$477,385	\$525,021	\$459,090	\$517,296	\$561,181
Comprehensive Services Act	1,857,067	1,944,411	2,260,146	4,779,393	6,365,167	6,105,426
Community Attention	105,966	127,339	141,192	1,889,338	2,119,690	2,158,973
Community Events and Festivals	54,586	67,900	66,900	0	0	0
Contributions to Children, Youth and Family Programs	2,689,782	2,788,827	3,273,942	609,313	633,551	0
Contributions to Education and the Arts	1,352,784	1,485,367	1,534,018	0	0	0
Department of Social Services	2,245,358	2,970,468	3,255,236	9,565,326	10,475,688	10,763,408
Housing Programs and Tax Relief	841,871	1,577,438	1,689,091	0	0	0
Neighborhood Development Services	2,147,287	2,422,349	2,729,571	0	0	0
Parks and Recreation	5,708,448	6,106,906	7,299,868	1,008,236	1,171,197	1,383,990
HEALTHY FAMILIES & COMMUNITY SUBTOTAL	\$17,478,741	\$19,968,390	\$22,774,985	\$18,310,696	\$21,282,589	\$20,972,978
INFRASTRUCTURE AND TRANSPORTATION						
Public Works: Administration, Facilities Management & Maintenance	\$2,001,113	\$2,168,403	\$2,274,460	\$251,611	\$315,538	\$341,938
Public Works: Public Service	6,221,199	7,789,728	8,779,077	1,991,116	2,627,020	1,014,705
Public Works: Transit/JAUNT	1,382,705	2,046,797	2,369,719	3,715,823	6,336,718	5,346,589
Public Works: Utilities	0	0	0	51,995,392	52,782,157	55,089,513
INFRASTRUCTURE AND TRANSPORTATION SUBTOTAL	\$9,605,017	\$12,004,928	\$13,423,256	\$57,953,942	\$62,061,433	\$61,792,745
PUBLIC SAFETY AND JUSTICE						
City Sheriff	\$897,421	\$905,284	\$950,772	\$0	\$0	\$0
Commonwealth's Attorney	705,284	745,944	892,785	0	0	0
Contributions to Programs Supporting Public Safety & Justice	5,262,256	6,534,127	6,734,809	0	0	0
Courts and Other Support Services	861,186	950,194	989,236	0	0	0
Fire Department: EMS/Ambulance Service	0	0	966,122	0	0	0
Fire Department: Operations	7,313,997	7,741,471	8,084,366	0	0	0
Police Department	11,533,778	11,784,053	12,701,846	0	0	0
PUBLIC SAFETY SUBTOTAL	\$26,573,922	\$28,661,073	\$31,319,936	\$0	\$0	\$0
LOCAL CONTRIBUTION TO SCHOOLS						
Local Contribution to Schools	\$32,100,025	\$34,012,025	\$38,340,609	\$0	\$0	\$0
SCHOOLS SUBTOTAL	\$32,100,025	\$34,012,025	\$38,340,609	\$0	\$0	\$0
TOTAL CITY OPERATIONS	\$98,981,126	\$109,712,324	\$122,154,764	\$82,114,425	\$90,441,813	\$90,302,959
DESIGNATED EXPENDITURES						
Contractual Services: Pupil Transportation	\$1,864,551	\$2,132,031	\$2,423,951	\$0	\$0	\$0
Contractual Services: School Building Maintenance	2,771,690	2,985,851	3,148,921	0	0	0
Transfer to Capital Improvements Fund	4,691,263	3,315,000	3,665,259	0	0	0
Transfer to Capital Improvements Fund (CAHIP)	0	0	250,000	0	0	0
Transfer to Facilities Repair Fund	800,000	450,000	500,000	0	0	0
Transfer to Debt Service Fund (1% of Meals Tax)	1,528,958	1,550,000	1,681,905	0	0	0
Transfer to Equipment Replacement Fund	0	0	838,000	0	0	0
Transfer to Misc. Funds	1,757,196	0	0	0	0	0
DESIGNATED EXPENDITURES TOTAL	\$13,413,658	\$10,432,882	\$12,508,036	\$0	\$0	\$0
TOTAL CITY BUDGET	\$112,394,784	\$120,145,206	\$134,662,800	\$82,114,425	\$90,441,813	\$90,302,959

CITY SCHOOLS BUDGET

	FY2005-2006 General Fund Actual	FY2006-2007 General Fund Budget	FY2007-2008 General Fund Budget	FY2005-2006 Other Funds Actual	FY2006-2007 Other Funds Budget	FY2007-2008 Other Funds Budget
SCHOOL OPERATIONS						
School Operations	\$48,996,143	\$51,825,338	\$55,821,334	\$9,789,156	\$9,920,098	\$10,256,929
TOTAL SCHOOL OPERATIONS BUDGET	\$48,996,143	\$51,825,338	\$55,821,334	\$9,789,156	\$9,920,098	\$10,256,929

MANAGEMENT

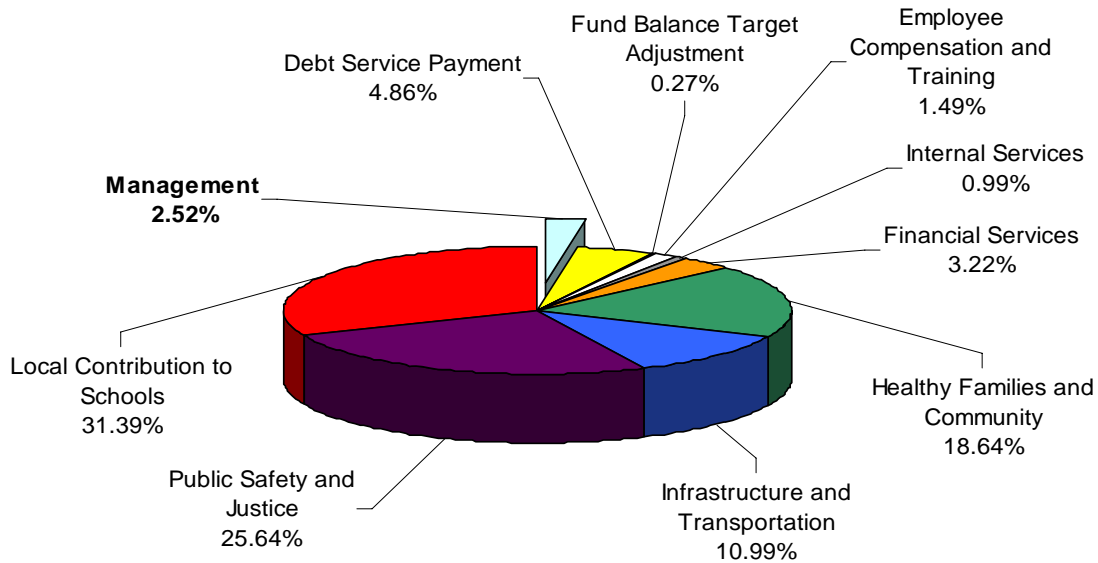


Management Summary

	FY2005-2006 General Fund Actual	FY2006-2007 General Fund Budget	FY2007-2008 General Fund Budget	FY2005-2006 Other Funds Actual	FY2006-2007 Other Funds Budget	FY2007-2008 Other Funds Budget
MANAGEMENT						
Council Reserve	\$37,574	\$25,000	\$21,884	\$0	\$0	\$0
Mayor and City Council	175,960	181,845	226,691	0	0	0
City Manager's Office/Administration and Communications	1,094,179	1,107,958	1,120,055	0	0	0
City Manager/ Office of Economic Development	481,167	506,828	542,853	0	0	0
City Attorney	521,086	618,734	680,862	0	0	0
General Registrar	365,933	304,797	368,121	0	0	0
Organizational Memberships	91,844	119,628	117,175	0	0	0
MANAGEMENT SUBTOTAL	\$2,767,743	\$2,864,790	\$3,077,641	\$0	\$0	\$0
 2007-08 General Fund Budget	 \$3,077,641					
2006-07 General Fund Budget	\$2,864,790					
Increase/(Decrease)	\$212,851					
Percentage Change	7.43%					

Management

As a percentage of operating budget



MANAGEMENT

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The City Manager's Office received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the FY 2006-2007 budget.
- ❖ The City received the prestigious AAA Bond Rating in 2006 from both Moody's and S&P, one of a small number of cities in the country to receive this rating.
- ❖ The Communications Department designed, implemented and introduced the City of Charlottesville's new website, resulting in several national rankings and improved customer service throughout the City.
- ❖ The Communications Department revamped its operations at CATEC, including better communication with producers, more streamlined operations, and reduced cost by implementing new operational parameters and producing revenue.
- ❖ The Communications Department collaborated with the technology community to rewrite and reauthorize the Technology Zone tax incentive for City businesses.
- ❖ The Voter Registrar's Office conducted a successful voter registration drive, signing up an additional 1,200 voters in the City of Charlottesville.

GOALS AND OBJECTIVES FOR FY 2008

- ❖ Increase and improve communication between City departments and with the local and national media in order to help promote tourism, business, and living in Charlottesville.
- ❖ Continue work on **Council's 2025 Vision** by developing citywide and departmental Strategic Business Plans and a program of performance measurement on which to measure success and areas of improvements.
- ❖ Continue to develop and fully implement a centralized customer service initiative, which will provide the citizen with a "one stop shop" experience of doing business with the City.
- ❖ Apply for and receive the GFOA Distinguished Budget Presentation Award for the FY 2007-2008 Budget.
- ❖ Market Charlottesville as a center for creativity and innovation, where entrepreneurial people thrive, in order to secure new business, jobs, and capital investment for the City.
- ❖ Provide leadership on various planning and development issues, such as affordable housing, traffic and transportation, strategic planning, and economic development initiatives.

Council Reserve

A reserve of \$21,884 is set aside for City Council to fund various unfunded budget requests, agency requests and/or strategic programs that Council wishes to fund either during the budget process or the fiscal year.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Council Reserve	\$37,574	\$25,000	\$21,884	(\$3,116)	-12.46%
General Fund Total	\$37,574	\$25,000	\$21,884	(\$3,116)	-12.46%

Mayor and City Council

City Council establishes policies for the City government, including neighborhood planning and services, education funding, human services, economic development, utilities, transportation, public safety, and other community and service issues. The Council is responsible for adopting the annual budget and passes laws to ensure the public's safety and welfare. The Council appoints members to over 30 boards and commissions, including governing boards for many community agencies. The Mayor (or the Vice-Mayor in the Mayor's absence) presides over and sets the agenda for meetings, calls special meetings, and serves as the ceremonial head of government. Regular Council meetings are held twice a month. Councilors participate in joint public hearings with the Planning Commission once a month, meet with the School Board once a month, and hold special meetings and work sessions as needed.

The Clerk of Council serves as staff to the City Council, maintains official Council records, serves as a liaison between Council and the public, notifies citizens of Council action, and coordinates Council meetings and appointments to boards and commissions. The Clerk is involved in a variety of efforts to provide public information about City government to citizens and represents the City on certain boards and commissions.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$132,118	\$135,656	\$140,221	\$4,565	3.37%
Other Expenditures	<u>43,842</u>	<u>46,189</u>	<u>86,470</u>	<u>40,281</u>	<u>87.21%</u>
General Fund Total	\$175,960	\$181,845	\$226,691	\$44,846	24.66%
General Fund FTEs	1.0	1.0	1.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits can be attributed to increases to retirement costs and a 4% salary increase granted in FY 2007. The increase in Other Expenditures can be attributed to increases in operational fixed costs, travel funds to allow City Council to attend out of town conferences, updated file systems and furniture for the Clerk of Council's office and increase in advertising due to the cost and volume of ads.

Office of the City Manager/Administration and Communications

The City Manager, appointed by the City Council, is the Chief Executive Officer for the City. This office is responsible for implementing the policies and directives of the City Council throughout the various City departments and agencies. The City Manager's office is also charged with recommending, implementing, and monitoring policies and procedures that maintain the financial well-being of City government. This office directs, monitors, reviews, and evaluates a wide array of programs and services conducted on behalf of the City, is responsible for the development of the City's operating and capital budgets, and citywide communications through the Office of Communications.

The Office of Communications serves as a liaison between the City and our citizens by coordinating media, public and community relations, and by encouraging citizen involvement in their government through a variety of informational sources including, but not limited to, the region's media outlets, the City's monthly newsletter "City Notes", the City's web site www.charlottesville.org, print advertisements, public appearances, and public service announcements. This office also manages and operates Government Access Channel 10, Public Access Channel 13, and Educational Access Channel 14.

In the coming year, the City Manager's Office will continue to place an emphasis on exceptional customer service and the quality delivery and efficiency of City services. The City Manager's Office will follow the new 2025 Vision adopted by City Council by finding appropriate ways to implement and promote programs that follow City Council's clear directive.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$932,468	\$963,477	\$915,936	(\$47,541)	-4.93%
Other Expenditures	<u>161,711</u>	<u>144,481</u>	<u>204,119</u>	<u>59,638</u>	<u>41.28%</u>
General Fund Total	\$1,094,179	\$1,107,958	\$1,120,055	\$12,097	1.09%
General Fund FTEs	9.0	8.0	8.0	0.0	
Other Funded FTEs	1.0	1.0	1.0	0.0	

Explanation of Changes: The net decrease in Salaries and Benefits can be attributed to the elimination of a vacant Assistant City Manager position and the addition of a Customer Service Care Center Director who will guide the City through full implementation of a centralized customer service initiative. The increase in Other Expenditures is the result of increases in fixed costs, education and leadership training funds, and funds for consultant assistance at CATEC.

This section combines two departmental budgets that net the slight overall increase of 1.09%. The City Manager's Office budget is decreasing by \$11,303, or 1.34%, and the Office of Communications overall budget is increasing by 8.78%, or \$23,400.

	FY 08
<u>FY 08 Services</u>	<u>Budget</u>
Administration	\$830,054
Communications	<u>290,001</u>
Total	\$1,120,055

Office of the City Manager/Office of Economic Development

The Office of Economic Development is the City's primary vehicle for economic development services. Its mission is to serve as a catalyst for public and private initiatives that promote the long-term economic vitality of Charlottesville.

The Economic Development staff works to expand the tax base and to provide quality job opportunities for citizens through new business development, retention/expansion initiatives, and workforce training. The Office also coordinates and administers the functions of the Charlottesville Industrial Development Authority (CIDA). The Authority issues revenue bonds and assists with front end capital for projects.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$407,912	\$426,191	\$452,060	\$25,869	6.07%
Other Expenditures	<u>73,255</u>	<u>80,637</u>	<u>90,793</u>	<u>10,156</u>	<u>12.59%</u>
General Fund Total	\$481,167	\$506,828	\$542,853	\$36,025	7.11%
General Fund FTEs	4.0	4.0	4.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits is a result of increases to retirement costs and fully realizing the 4% salary increase granted in FY 2007. Other Expenditures increases can be attributed to higher fixed costs, increases in the cost of advertising training sessions, and marketing costs to fulfill the Council 2025 Vision of enhancing and promoting workforce development.

City Attorney

The City Attorney's Office is staffed with four attorneys and two paralegal positions. Formal and informal opinions, reports, ordinances, resolutions, and City contracts are drafted, reviewed, and negotiated by this office. Zoning, procurement, insurance, and Freedom of Information Act (FOIA) matters are handled by the office, and personnel issues (workers' compensation, terminations, and grievances) account for an increasing share of the workload. Social Services and other litigation continue to demand significant attorney time. The City Attorney's Office provides legal counsel to the City Council, Planning Commission, Airport Authority, Charlottesville Industrial Development Authority, and Charlottesville Redevelopment and Housing Authority, their managers and employees.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$456,591	\$541,731	\$585,309	\$43,578	8.04%
Other Expenditures	<u>64,495</u>	<u>77,003</u>	<u>95,553</u>	<u>18,550</u>	<u>24.09%</u>
General Fund Total	\$521,086	\$618,734	\$680,862	\$62,128	10.04%
General Fund FTEs	6.0	6.0	6.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits reflects the 4% salary increase granted in FY 2007, as well as increases in retirement costs. Other Expenditures are increasing due to fixed costs, \$10,000 for the replacement of furniture and \$18,000 for a high density file storage system, a mobile system with the storage capacity of 25 file cabinets but fits this into a space measuring 15 feet x 5 feet, eliminating the need to store file cabinets in the hallway.

General Registrar

The Charlottesville Office of General Registration is responsible for matters pertaining to: voter registration and comprehensive list maintenance; certification of candidate declarations and campaign finance management; ballot development and administration of absentee voting; Officer of Election database management; maintenance and preparation of voting equipment and supplies; polling place management; public and media relations related to the electoral process; and effective implementation of legislative mandates and policy directives within the scope of operations.

In addition, this office administers primary and special elections, as called. Officer of Election appointments, polling place recommendations, and certifications of election results are conducted by the Charlottesville Electoral Board, for which this office provides all administrative support. In order to conduct the required functions of this office in full accordance with federal, state and local laws, it is imperative that all staff receive comprehensive initial training and participate in on-going continuous education efforts to stay abreast of often changing legal dictates and policy requirements. Numerous training opportunities are provided through the State Board of Elections, the statewide professional associations of General Registrars and Electoral Boards, voting equipment user groups and other professional organizations within the industry.

The Office of the General Registrar has two full time employees located in the City Hall Annex and a part time employee at the Division of Motor Vehicles office on Pantops. Additionally, a number of assistant registrars, election officials and part time election workers are employed as required by the State Board of Elections.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$228,406	\$202,390	\$241,858	\$39,468	19.50%
Other Expenditures	<u>137,527</u>	<u>102,407</u>	<u>126,263</u>	<u>23,856</u>	<u>23.30%</u>
General Fund Total	\$365,933	\$304,797	\$368,121	\$63,324	20.78%
General Fund FTEs	2.5	2.5	2.5	0.0	

Explanation of Changes: This budget is based on 3 elections during FY 2008 - November 2007, February 2008 and June 2008, the latter two being Federal elections. This budget fully realizes the costs of these elections and more accurately reflects what the budget should be during the year. Most, if not all, of the increases are mandated by the State, including training for staff, advertising for elections, printing and duplicating, material purchases for elections, election staff overtime and salaries.

Organizational Memberships

The **Virginia Municipal League** is an advocate for Virginia towns and cities. It represents the City's interests before the General Assembly and provides legal, technical, and management information.

The **Charlottesville Regional Chamber of Commerce** is the local organization that represents the business community on issues pertaining to relations between the public and businesses.

The **Thomas Jefferson Planning District Commission (TJPDC)** is the regional planning agency created by Charlottesville and the counties of Albemarle, Fluvanna, Louisa, Greene, and Nelson, under the Virginia Area Development Act, which provides planning and technical assistance to member governments through planning on a regional level.

The **Virginia Institute of Government**, established in 1994 by the Virginia General Assembly, provides programs that increase the training, technical services and information resources available to the Commonwealth's local governments.

The **Virginia Innovations Group** is a regional office of the Innovations Group, a non-profit organization with a membership base of 430 city, town and county governments from 28 states, which provides city and county governments with the tools and information to improve productivity, and save time and money.

The **Virginia First Cities Coalition** is a statewide coalition of 15 cities that provides lobbying services and fiscal analysis for its member cities.

The **Thomas Jefferson Regional Partnership for Economic Development** is a public/private organization committed to retaining business, expanding employment opportunities and "growing" the economy of the region in a manner consistent with local plans, policies, and needs.

The **Thomas Jefferson Soil and Water Conservation District** works in partnership with various local, state and federal agencies to provide comprehensive and efficient natural resource assistance.

The **International City/County Management Association Performance Measurement Consortium** helps local governments compare and improve the effectiveness and efficiency of public services through the collection, analysis and application of performance information. Over 160 local governments participate across the nation.

The **Central Virginia Small Business Development Center** provides management, marketing, planning, operational, and financial and other assistance to existing and pre-venture small and mid-sized businesses in the region.

Funding Summary	FY05-06	FY06-07	FY07-08	Increase/	% Change
	Actual	Budget	Budget	(Decrease)	
Virginia Municipal League	\$11,592	\$12,142	\$12,596	\$454	3.74%
Chamber of Commerce	2,500	2,500	2,500	0	0.00%
Thomas Jefferson Planning District Commission	44,621	44,621	46,860	2,239	5.02%
TJPDC Workforce One Stop Center	0	15,771	0	(15,771)	-100.00%
Virginia Institute of Government	2,500	2,500	2,500	0	0.00%
Virginia Innovations Group	2,500	2,500	2,500	0	0.00%
Virginia First Cities Coalition	15,631	17,194	17,819	625	3.63%
Thomas Jefferson Regional Partnership for Economic Dev.	12,500	12,500	12,500	0	0.00%
Thomas Jefferson Soil and Water Conservation District	0	1,000	1,000	0	0.00%
ICMA Performance Measurement Consortium	0	8,900	8,900	0	0.00%
Central Virginia Small Business Development Center	0	0	10,000	10,000	100.00%
General Fund Total Contributions	\$91,844	\$119,628	\$117,175	(\$2,453)	-2.05%



Debt Service Payment

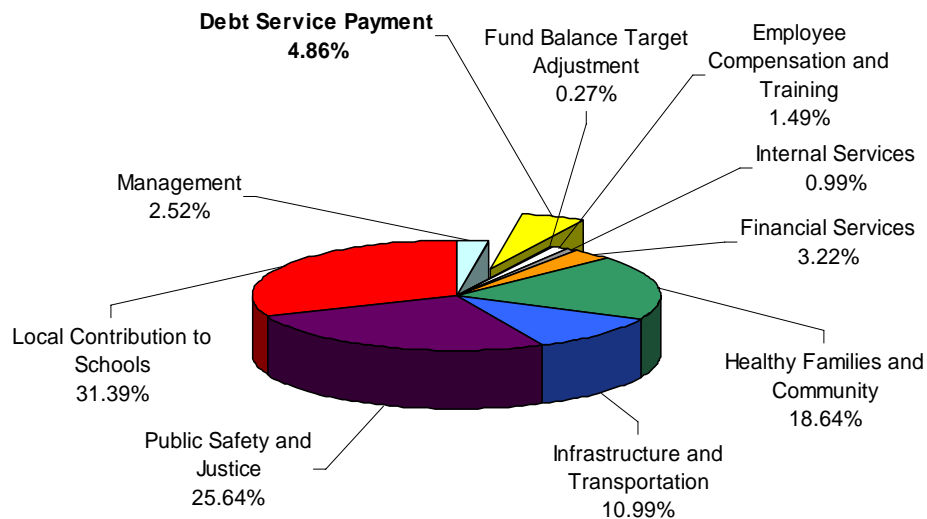
The General Fund contribution to the City's annual debt service payments on general purpose, school, and literary bonds is shown in this part of the budget. The City has several major, long-term capital needs, such as School and City building maintenance, Downtown Mall infrastructure improvements, Fire Station construction, neighborhood improvements, transportation needs, and Parks and Recreation improvements. It is anticipated that in future years the amount of funds going to debt service will need to increase in order to finance the City's increasing capital needs (see Capital Improvement Program Fund on page 85 and Debt Service Fund detail on page 97).

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
General Fund Contribution	\$5,400,000	\$5,450,000	\$5,800,000	\$350,000	6.42%
County Fire Service Fee	<u>375,000</u>	<u>264,000</u>	<u>132,000</u>	<u>(132,000)</u>	<u>-50.00%</u>
General Fund Total	\$5,775,000	\$5,714,000	\$5,932,000	\$218,000	3.82%

In addition to the funding shown above, there is \$1.6 million in designated Meals Tax revenue dedicated to this fund. The increase of \$350,000 shown was budgeted as part of the Fire Department operational budget in FY 2007 in the amount of \$250,000. The budget has been increased by \$100,000 and moved to this account to better reflect the transfer occurring to the fund.

Debt Service Payment

As a percentage of operating budget





Fund Balance Target Adjustment/ Departmental Savings

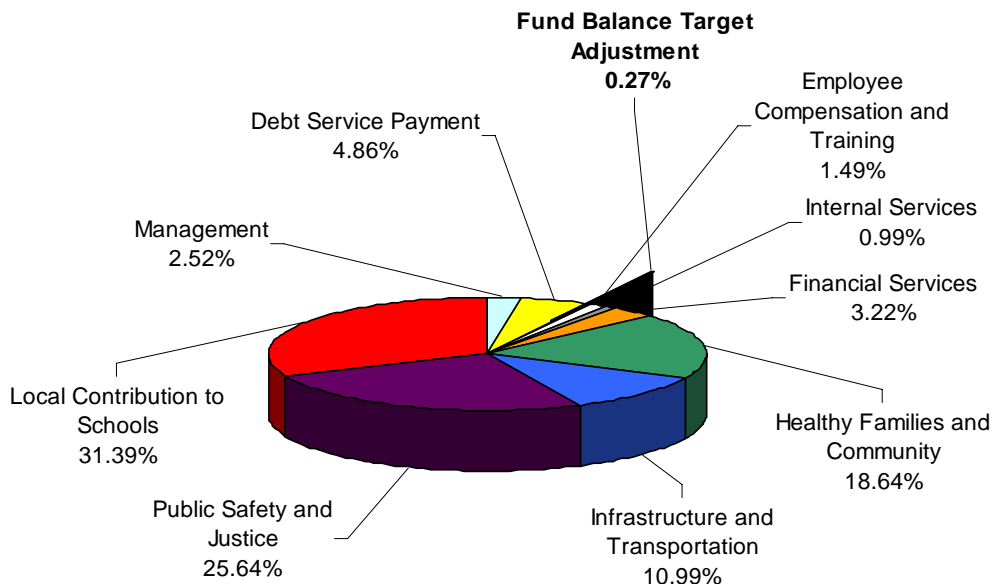
One of the key factors in retaining the City's AAA bond rating is the City's 12% fund balance policy. This policy states that the City will maintain an unappropriated fund balance in the General Fund equal to 12% of the City's operating budget. As the operating budget grows over time, this target fund balance must be adjusted. This account, created in FY 2005, is adjusted each year to help ensure that the City continues to meet this important financial policy.

During the course of the fiscal year, the City Manager will work with departments to identify over \$169,000 in City savings.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Fund Balance Target Adjustment	\$0	\$323,702	\$500,000	\$176,298	54.46%
City Wide Departmental Savings	<u>0</u>	<u>0</u>	<u>(169,806)</u>	<u>(169,806)</u>	<u>N/A</u>
General Fund Total	\$0	\$323,702	\$330,194	\$6,492	2.01%

Fund Balance Target Adjustment

As a percentage of operating budget





Employee Compensation and Training

This pool provides funds for a 4% across the board salary increase starting July 1st and market rate salary adjustments to be identified during the year. In addition, there is \$145,000 budgeted for the Police Department to address compression among supervisory positions, and \$125,000 for the Fire Department to address compression among supervisors and to add career development into a professional development program open to firefighters and captains. The City has budgeted \$300,000 in savings to be realized in the form of citywide attrition, which simply demonstrates up front the savings associated with keeping vacancies open for a specified period of time.

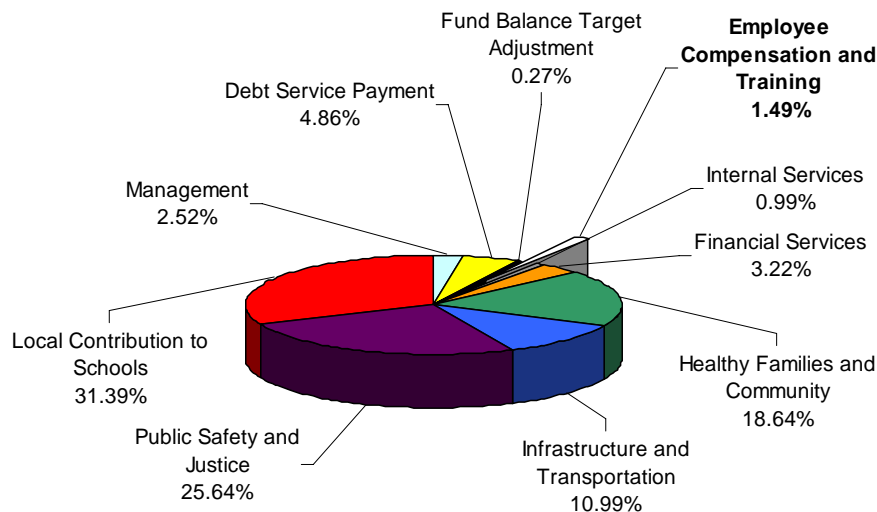
Two new programs are included in this budget: an Employee Parking Benefit which will alleviate the parking issues City employees face who work in City Hall and the Annex by providing up to a 50% subsidy for each employee who elects to participate; and, an Employee Appreciation Day/Week, which could coincide with the annual employee picnic.

Unemployment Compensation is increasing to reflect the actual costs for the past several years. A small change is proposed for the Corporate Training Fund, which funds citywide training opportunities.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Compensation - 4% Salary Increase	\$75,822	\$1,590,980	\$1,320,754	(\$270,226)	-16.98%
City Wide Attrition Savings	0	(300,000)	(300,000)	0	0.00%
City Wide Market Rate Adjustments	0	0	250,000	250,000	100.00%
Police Department Adjustments	0	0	145,000	145,000	100.00%
Fire Department Adjustments	0	0	125,000	125,000	100.00%
Unemployment Compensation	64,129	40,000	60,000	20,000	50.00%
Corporate Training Fund	19,035	34,000	35,000	1,000	2.94%
Miscellaneous Expenses	0	0	181,310	181,310	N/A
General Fund Total	\$158,986	\$1,364,980	\$1,817,064	\$452,084	33.12%

Employee Compensation and Training

As a percentage of operating budget





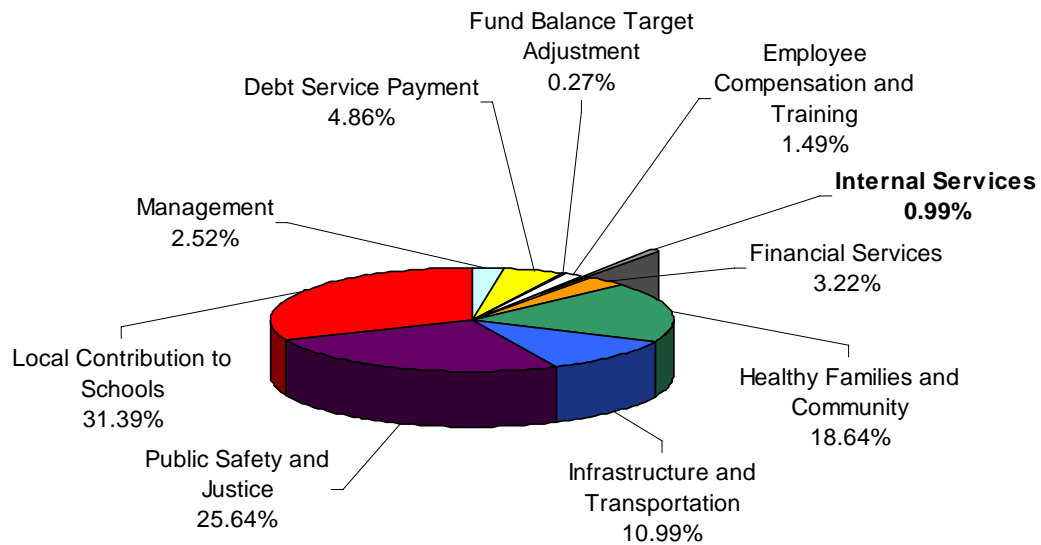
INTERNAL SERVICES



Internal Services Summary

	FY2005-2006 General Fund Actual	FY2006-2007 General Fund Budget	FY2007-2008 General Fund Budget	FY2005-2006 Other Funds Actual	FY2006-2007 Other Funds Budget	FY2007-2008 Other Funds Budget
INTERNAL SERVICES						
Business Services	\$239,800	\$239,800	\$0	\$0	\$0	\$0
Finance Department: Purchasing/Risk Management/Warehouse	87,243	74,344	238,076	2,599,038	2,370,526	2,313,585
Human Resources	785,069	892,641	966,328	0	0	0
Information Technology	0	0	0	1,964,501	3,506,801	3,748,227
INTERNAL SERVICES SUBTOTAL	\$1,112,112	\$1,206,785	\$1,204,404	\$4,563,539	\$5,877,327	\$6,061,812
 2007-08 General Fund Budget	 \$1,204,404					
2006-07 General Fund Budget	\$1,206,785					
Increase/(Decrease)	-\$2,381					
Percentage Change	-0.20%					

Internal Services
As a percentage of operating budget



INTERNAL SERVICES

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The Human Resources Department implemented cost containment and wellness program measures that contributed to a \$1 million reduction in projected medical claims costs.
- ❖ The Finance Department's Purchasing division established the Decentralized Buyer User Group for SAP, which includes a documentation team, mentors team, development team, communications team and issues resolution team.
- ❖ Risk Management implemented a web-based workers' comp injury report system and trained City supervisory personnel (300+ employees) regarding its use, which resulted in reduced workers' comp claim lapse time.
- ❖ City Link was successfully implemented, including all financial modules, materials management, plant maintenance, utility billing, project systems modules, payroll and human resources.
- ❖ Information Technology successfully implemented the Microsoft Enterprise Licensing Agreement to ensure software license compliance and standardize PC software platforms and reduced internal support costs and software costs by approximately \$150,000 per year.

GOALS AND OBJECTIVES FOR FY 2008

- ❖ Risk Management will work to reduce workplace injury occurrences by at least ten percent by the end of FY 2008.
- ❖ Human Resources will continue to implement wellness and educational programs that minimize health care cost increases for both the employees and the City of Charlottesville as an employer.
- ❖ Purchasing will continue work to have a buy/pay process interfaced with the state's electronic procurement system, eVA, and provide direct access to selected City decentralized buyers.
- ❖ The Human Resources Department will complete the selection of a 3rd party administrator for the 457 Deferred Compensation and 401(a) Retirement plans.
- ❖ The Warehouse division will identify and address obsolete inventory as well as continuing to move to a just-in-time inventory system.
- ❖ Information Technology will implement a new permitting system for Neighborhood Development Services, a new Parks and Recreation system, as well as greater GIS integration for various departments.

Business Services

Business Services Strategy area is comprised of four City departments:

Office of the Commissioner of Revenue
 Department of Finance
 Department of Information Technology
 Treasurer's Office

This team is working together on ways to improve financial services to our "customers" - citizens, taxpayers, the business community, and City employees. Specifically:

- Offer citizens access to their own account information;
- Move toward "one stop shopping";
- Offer new options for interacting with City Hall via the Internet/e-government and City Link.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Business Services	\$239,800	\$239,800	\$0	(\$239,800)	-100.00%
General Fund Total	\$239,800	\$239,800	\$0	(\$239,800)	-100.00%

Explanation of Changes: FY 2008 will be the first full year that the City has not had "live" the HP-3000 financial system, which was replaced by City Link. Therefore, these expenditures have been spread out and included as part of the departmental IT User Fees to support the cost of general operations of supporting the City's complex information technology system.

Finance Department

Purchasing

Risk Management

Warehouse

Purchasing has overall responsibility for the City's purchasing system, develops regulations to ensure compliance with state and local laws, provides purchasing training to all City staff with procurement responsibilities, is responsible for the disposal of all City surplus property and manages the City's Disadvantaged Business Enterprises program.

Risk Management provides overall risk management services for the City including managing the City's casualty insurance programs and providing targeted safety training to all City employees.

The **Warehouse** provides inventory management and operates the Central Warehouse, as well as providing a central shipping and receiving point for City agencies.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$355,492	\$363,839	\$374,631	\$10,792	2.97%
Other Expenditures	<u>2,330,789</u>	<u>2,081,031</u>	<u>2,177,030</u>	<u>95,999</u>	<u>4.61%</u>
Total	\$2,686,281	\$2,444,870	\$2,551,661	\$106,791	4.37%
General Fund Total	\$87,243	\$74,344	\$238,076	\$163,732	220.24%
Non-General Fund Total	<u>2,599,038</u>	<u>2,370,526</u>	<u>2,313,585</u>	<u>(56,941)</u>	<u>-2.40%</u>
Total	\$2,686,281	\$2,444,870	\$2,551,661	\$106,791	4.37%
General Fund FTEs	2.0	2.0	3.5	1.5	
Non-General Fund FTEs	4.0	4.0	2.5	(1.5)	

Explanation of Changes: Increases in Salaries and Benefits can be attributed to increasing retirement costs and a 4% salary increase granted during FY 2007. In Other Expenditures, increases occurred in fixed costs and insurance premiums for City departments in the Risk Management budget. Although FTE's remain the same, and salaries and benefits overall are not increasing significantly, the General Fund portion is increasing due to re-allocation of staff salaries between Purchasing, Warehouse and Risk Management.

<u>FY 08 Services</u>	<u>FY 08 Budget</u>
Purchasing	\$238,076
Risk Management	2,172,054
Warehouse	<u>141,531</u>
Total	\$2,551,661

Human Resources

Human Resources functional service areas include recruitment, employee relations, training, organizational development, employee benefits, workers' compensation, human resources information systems, and human resources administration. The department's key goals for FY 2007-08 are to: (1) Continue emphasis on training and development related to the City's diversity initiatives; (2) Work with departments to develop responses to the findings from the Employee Survey; (3) Continue emphasis on wellness initiatives as part of the City's health care cost containment strategy; (4) Help ensure that an open, honest, positive relationship exists between City employees and City management. This relationship is characterized by: trust, openness, honest communication, mutual respect, appreciation of the value of our diversity, and a work environment that encourages and rewards creativity and teamwork, as well as individual performance, to enable the City to be an "Employer of Choice"; and, (5) Continue to evaluate and revise department business processes to maximize the utility of the new Human Resources/Payroll system with particular emphasis on improvement to customer service.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$577,514	\$581,537	\$625,010	\$43,473	7.48%
Other Expenditures	<u>207,555</u>	<u>311,104</u>	<u>341,318</u>	<u>30,214</u>	<u>9.71%</u>
General Fund Total	\$785,069	\$892,641	\$966,328	\$73,687	8.25%
General Fund FTEs	8.0	8.0	8.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits can be attributed to the 4% salary increase granted during FY 2007, and increases in retirement costs. Within Other Expenditures, fixed costs increased, as well as tuition aid provided to employees, increases in contractual services such as drug testing and costs associated with the online job application, training and travel for Human Resources staff members and increases in the cost and volume of advertising.

Information Technology

The Department of Information Technology (IT) is an internal services division of the City of Charlottesville. IT's primary mission is to assist all other City departments and divisions by centrally supporting the City's computer and telecommunications systems and providing technical support to City employees. IT is responsible for evaluating, recommending, purchasing, installing, and supporting all of the City's computer systems and communications networks for both voice and data. This department evaluates, integrates and supports innovative technologies to help internal and external customers achieve their goals, while effectively maximizing return on resources and providing cost effective methods for citizens, businesses, vendors and others to easily access information and conduct business with the City.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,154,148	\$1,444,878	\$1,554,309	\$109,431	7.57%
Other Expenditures	565,543	1,619,006	1,749,172	130,166	8.04%
Technology Capital Investments	<u>244,810</u>	<u>442,917</u>	<u>444,746</u>	<u>1,829</u>	<u>0.41%</u>
Non-General Fund Total	\$1,964,501	\$3,506,801	\$3,748,227	\$241,426	6.88%
Non-General Fund FTEs	18.00	18.00	18.00	0.0	

Explanation of Changes: The increase in Salaries and Benefits can be attributed to a 4% salary raise granted in FY 2007 and retirement cost increases. There were also several market rate adjustments provided during FY 2007. Other Expenditures is increasing as a result of additional funds for disaster recovery and security improvements, citywide support for video streaming of City Council meetings, and new computers for Help Desk Technicians.

The Technology Capital Investments include funds for replacement of desktop computers and citywide infrastructure and system replacement needs.

The total budget for City Link is \$1,450,000, which is funded from contributions by the Gas Fund and all Non General fund departments that utilize the City Link system. This budget funds the salaries and benefits of two ABAP Programmers, an operational budget, a citywide City Link training budget, debt payment for the City Link loan to Utilities and capital funds for City Link servers scheduled to be replaced in FY 2008.

The Information Technology operational budget is offset by revenues generated from IT User fees charged out to departments, GIS user fees, and fees received from outside agencies, such as the library and jail for IT service provided. Additionally, each department makes contributions, based on an allocation formula, to the Computer Replacement and the Technology Infrastructure Replacement pools.

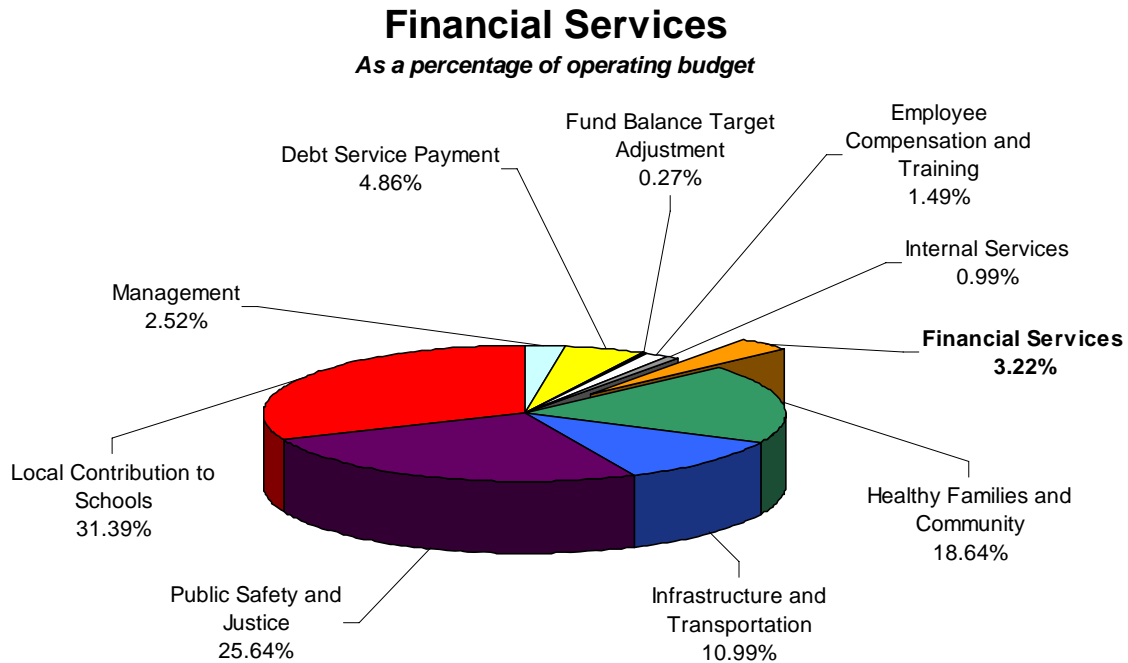
FY 08 Services	FY 08 Budget
Information Technology Operations	\$1,915,640
City Link Operations	1,450,000
GIS Operations	37,391
Computer Replacement Pool	157,092
Technology Infrastructure Replacement Pool	<u>188,104</u>
Total	\$3,748,227

FINANCIAL SERVICES



Financial Services Summary

	FY2005-2006 General Fund Actual	FY2006-2007 General Fund Budget	FY2007-2008 General Fund Budget	FY2005-2006 Other Funds Actual	FY2006-2007 Other Funds Budget	FY2007-2008 Other Funds Budget
FINANCIAL SERVICES						
Commissioner of the Revenue	\$806,533	\$870,321	\$957,857	\$0	\$0	\$0
Finance Department: Management/Real Estate	1,562,983	1,660,475	1,889,673	1,286,248	1,220,464	1,475,424
Assessment/Utility Billing Office	1,040,064	1,060,855	1,087,145	0	0	0
Treasurer						
FINANCIAL SERVICES SUBTOTAL	\$3,409,580	\$3,591,651	\$3,934,675	\$1,286,248	\$1,220,464	\$1,475,424
2007-08 General Fund Budget	\$3,934,675					
2006-07 General Fund Budget	\$3,591,651					
Increase/(Decrease)	\$343,024					
Percentage Change	9.55%					



FINANCIAL SERVICES

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The Treasurer for the City of Charlottesville was named the Treasurer of the Year by the Treasurer's Association of Virginia.
- ❖ The Treasurer's Office successfully completed the new combined billings – vehicle license fees now appear on the first half Personal Property Tax bills rather than a separate billing, saving the City money in printing and postage costs.
- ❖ The Commissioner of Revenue's Office used Schedule C's from the Virginia Income Tax process, and utilized data to audit existing licensed businesses and discover un-licensed businesses, thereby increasing tax revenue.
- ❖ The Commissioner of Revenue's Office commenced the administration of the new Charlottesville Affordable Housing Program, which distributed over \$185,000 in grants to qualified homeowners, in order to help with home ownership.
- ❖ The Real Estate Assessor's Office completed a successful reassessment cycle and accomplished CPC changes to the Treasurer's Office billing information.
- ❖ The Finance Department received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the FY 2005 Comprehensive Annual Financial Report (CAFR) for the 26th consecutive award year.
- ❖ The Finance Department helped to maintain the City of Charlottesville's AAA bond rating.
- ❖ The Utility Billing Office contributed to Phase III of SAP implementation, involving internet interfacing with the Utility billing system, allowing customers to access their accounts online in order to monitor their accounts financially and change certain information.

GOALS AND OBJECTIVES FOR FY 2008

- ❖ Maintain the City's AAA Bond rating and receive the GFOA Certificate of Achievement for Excellence in Financial Reporting for the FY 2006 CAFR for the 27th consecutive award year.
- ❖ Assess 100% of real property in a fair and equitable manner and meet new challenges of adding new housing subdivisions to the tax base.
- ❖ Utility Billing will improve customer service by providing online notifications of customer invoices, reducing and replacing many paper invoices which will reduce both printing and postage costs for the City of Charlottesville.
- ❖ The Treasurer's Office will implement a new credit card processing system in order to enable more citizens to pay with credit and debit cards.
- ❖ Continue to improve the two tax systems within the Commissioner of Revenue's Office, Business Tax System (BTS) and Enhanced Government Tax Software (EGTS), adding greater reliability and improved customer service.
- ❖ Automate the exoneration process in order to improve and streamline the workflow for the Personal Property Tax assessment process, which will result in reduced manpower costs to the City.

Commissioner of the Revenue

The Commissioner of the Revenue is responsible for the fair, accurate and legal assessment of tangible personal property, and for administering ordinances relating to Personal Property Tax Relief, Public Service Corporation Tax, Bank Stock Tax, Vehicle Daily Rental, Business, Professional and Occupational Licenses, Meals Tax, Transient Lodging Tax, Consumer Utility Tax, Consumption Tax and Short-term Daily Rental Tax. This office is authorized to facilitate dealer compliance with state sales tax laws by assisting with the completion of reports and accepting reports/payments of sales taxes collected. The Commissioner of the Revenue and staff assist those who require help with filing required Virginia Income Tax Returns, assist with refund requests for taxes paid in error for local or state taxes, and assist applicants with affidavits necessary for Real Estate Tax Relief and Rental Relief for the Elderly and Disabled programs. For these services, the City receives reimbursement for a portion of the Commissioner of Revenue's budget from the Commonwealth of Virginia.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$709,834	\$730,384	\$769,897	\$39,513	5.41%
Other Expenditures	<u>96,699</u>	<u>139,937</u>	<u>187,960</u>	<u>48,023</u>	<u>34.32%</u>
General Fund Total	\$806,533	\$870,321	\$957,857	\$87,536	10.06%
General Fund FTEs	13.0	13.0	13.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits includes increases in retirement costs and a 4% salary increase granted during FY 2007. The increase in Other Expenditures can be attributed to fixed costs, \$20,000 to replace old and outdated furniture, and increases in the cost and volume of advertising.

Finance Department

Management

Real Estate Assessor

Utility Billing Office

The **Administrative** office of Finance provides comprehensive financial management, accounting, and reporting services; pays all City employees and City bills; provides debt management services; is responsible for implementation of the Living Wage Ordinance; prepares a number of specialized technical reports including the annual utility rate study, official statements and prospectuses for bond issues, the City's annual reports, the state mandated comparative cost report transmittal forms, and a variety of grant reports.

Real Estate Assessor's office is responsible for assessing 14,500 parcels in the City annually; maintains assessments for tax purposes at fair market value; and provides various services to homeowners, prospective homebuyers/sellers, realtors, title researchers, attorneys, land surveyors, other City departments, etc. This office is also responsible for the Tax Abatement and Supplemental Assessment Programs.

The **Utility Billing Office** is responsible for maintaining, billing and collecting over \$40 million in utility payments each year for gas, water and sewer service. They also handle requests to stop and start services, answer customer inquiries concerning their accounts and handle all billing maintenance entries necessary to send accurate and timely bills. The office handles over 50,000 customer inquiries annually and administers the Gas Assistance Program which distributed nearly \$85,000 in fuel assistance in FY 2006.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,981,072	\$2,104,242	\$2,383,776	\$279,534	13.28%
Other Expenditures	<u>868,159</u>	<u>776,697</u>	<u>981,321</u>	<u>204,624</u>	<u>26.35%</u>
Total	\$2,849,231	\$2,880,939	\$3,365,097	\$484,158	16.81%
General Fund Total	\$1,562,983	\$1,660,475	\$1,889,673	\$229,198	13.80%
Non General Fund Total	<u>1,286,248</u>	<u>1,220,464</u>	<u>1,475,424</u>	<u>254,960</u>	<u>20.89%</u>
Total	\$2,849,231	\$2,880,939	\$3,365,097	\$484,158	16.81%
General Fund FTEs	19.0	20.0	20.0	0.0	
Non General Fund FTEs	13.0	13.0	13.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits represents increases in retirement costs and a 4% salary increase granted during FY 2007. In addition, Council approved two new positions in the Assessor's Office: a **Commercial Appraiser**, to better maintain the accuracy of commercial assessments, and a **Systems Analyst**, who will enable the City to further enhance and maintain its changing computer system capabilities. Finally, there is \$50,000 included in Salaries and Benefits for half of the **Customer Service Care Center Director**, who will guide the City towards implementation of centralized customer service. Other Expenditures reflect increases in fixed costs, additional travel and mileage reimbursements for the new appraiser, and additional training for the entire Assessor's Office staff. Other Expenditures in the Utility Billing Office budget include new funds to absorb credit card transaction fees, additional funds for the rate study contract, and other contractual services related to the utilities in general.

<u>FY 08 Services</u>	<u>FY 08 Budget</u>
Management	\$1,211,115
Real Estate Assessment	678,558
Utility Billing Office	<u>1,475,424</u>
Total	\$3,365,097

Treasurer

The Treasurer's Office serves Charlottesville citizens by collecting, investing and ensuring the safekeeping of all City revenues. The office is the citizen's first point of reference for many City services requested of other departments, and as the collection point for all fees and taxes generated by or within the City, including utility bills, personal property, real estate, and state income taxes, vehicle license fees, business licenses, meals tax, trash decals, dog licenses and all other revenues collected by the City. The office is responsible for preparing and mailing personal property and real estate bills semi-annually, for collecting all tax payments and for aggressively pursuing collection of delinquent revenues.

The Treasurer's Office is responsible for the administration and court process of parking tickets and the zone permit parking system, including the upkeep and maintenance of its applicable computer systems. The Treasurer invests all City reserve operational funds, bond funds and school funds to obtain the highest yield with minimal risk. The Treasurer's Office ensures the safekeeping of City revenues by balancing all cash received on a daily basis and reconciling all bank accounts on a monthly basis. The Treasurer also serves as the fiscal agent for the City Schools and the Charlottesville Albemarle Technical Education Center. The Treasurer also acts as the custodian for the City Retirement Fund, including the management of the individual managers, payments for the Fund's expenses, and preparing monthly reports for the Retirement Commission.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$737,179	\$761,945	\$795,773	\$33,828	4.44%
Other Expenditures	<u>302,885</u>	<u>298,910</u>	<u>291,372</u>	<u>(7,538)</u>	<u>-2.52%</u>
General Fund Total	\$1,040,064	\$1,060,855	\$1,087,145	\$26,290	2.48%
General Fund FTEs	13.0	13.0	13.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits can be attributed to increases in retirement costs and a 4% salary increase granted during FY 2007. Within Other Expenditures, this budget includes \$13,340 to absorb credit card transaction fees for citizens who want to walk into City Hall and pay tickets, registration fees, permits, bus passes, and trash stickers and decals in person with a credit card, and additional funds for printing as part of the cost of printing all payroll checks and statements.



HEALTHY FAMILIES & COMMUNITY

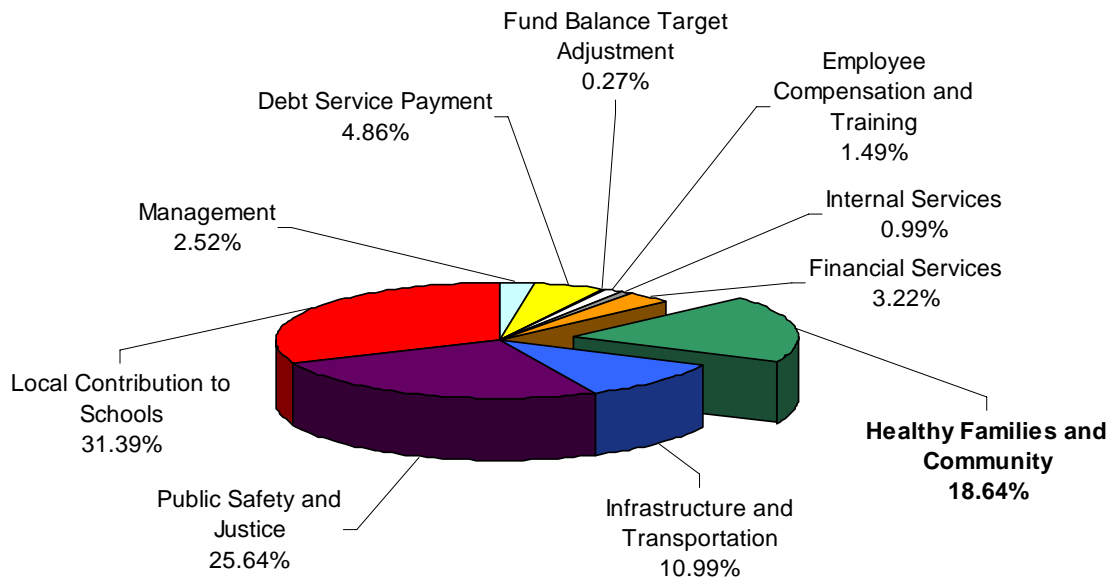


Healthy Families & Community Summary

	FY2005-2006	FY2006-2007	FY2007-2008	FY2005-2006	FY2006-2007	FY2007-2008
	General Fund Actual	General Fund Budget	General Fund Budget	Other Funds Actual	Other Funds Budget	Other Funds Budget
HEALTHY FAMILIES & COMMUNITY						
Charlottesville/Albemarle Convention and Visitor's Bureau	\$475,592	\$477,385	\$525,021	\$459,090	\$517,296	\$561,181
Comprehensive Services Act	1,857,067	1,944,411	2,260,146	4,779,393	6,365,167	6,105,426
Community Attention	105,966	127,339	141,192	1,889,338	2,119,690	2,158,973
Community Events and Festivals	54,586	67,900	66,900	0	0	0
Contributions to Children, Youth and Family Programs	2,689,782	2,788,827	3,273,942	609,313	633,551	0
Contributions to Education and the Arts	1,352,784	1,485,367	1,534,018	0	0	0
Department of Social Services	2,245,358	2,970,468	3,255,236	9,565,326	10,475,688	10,763,408
Housing Programs and Tax Relief	841,871	1,577,438	1,689,091	0	0	0
Neighborhood Development Services	2,147,287	2,422,349	2,729,571	0	0	0
Parks and Recreation	5,708,448	6,106,906	7,299,868	1,008,236	1,171,197	1,383,990
HEALTHY FAMILIES & COMMUNITY SUBTOTAL	\$17,478,741	\$19,968,390	\$22,774,985	\$18,310,696	\$21,282,589	\$20,972,978
2007-08 General Fund Budget	\$22,774,985					
2006-07 General Fund Budget	\$19,968,390					
Increase/(Decrease)	\$2,806,595					
Percentage Change	14.06%					

Healthy Families & Community

As a percentage of operating budget



HEALTHY FAMILIES AND COMMUNITY

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ 93% of all Community Attention participants avoided any further adjudicated charges during their enrollment in the program and 84% for one year after their discharge from the program.
- ❖ Teens GIVE participants provided the community with 9,453 hours of service.
- ❖ The Department of Social Services Welfare-to-Work (VIEW) program served 357 individuals, and over 78% (280 individuals) received employment.
- ❖ The Department of Social Services Foster Care Prevention program had a success rate of 83% in keeping high risk children from entering Foster Care.
- ❖ The number of children in Foster Care declined for the third consecutive year, by 3.4%.
- ❖ Neighborhood Development Services completed over 8,700 property maintenance inspections.
- ❖ Neighborhood Development Services processed approximately 2,400 building permits, totaling over \$123 million in building permit value.
- ❖ Parks and Recreation completed and delivered their final Needs Assessment and Strategic Plan.
- ❖ Parks and Recreation implemented summer camp program changes and created a partnership with the City Schools in order to deliver a new and improved summer camp program.
- ❖ Parks and Recreation enhanced the design of its facilities including major renovations of the Meadowcreek Golf Course Clubhouse, and implemented an updated pricing policy based on outcomes for the Golf Division.
- ❖ Charlottesville/Albemarle Convention and Visitors Bureau booked 1,370 room nights for meeting and conference groups and generated approximately \$382,000 in revenue from these bookings.

GOALS AND OBJECTIVES FOR FY 2008

- ❖ Increase the percentage of children in Foster Care who have no more than two placements within the first 12 months.
- ❖ Increase the Food Stamp participation rate to reach more eligible individuals and families in need.
- ❖ Ensure that 90% of all Community Attention participants will avoid any further adjudicated charges during their enrollment in the program and 85% for one year after their discharge from the program.
- ❖ Explore the development of new residential services to serve children with independent living goals.
- ❖ Neighborhood Development Services will complete implementation of the new Permit software installation for improved customer service and will complete 10,000 Property Maintenance Inspections.
- ❖ Parks and Recreation will develop and implement new program standards as they apply to core programs and services such as Aquatics, Youth Services, and Therapeutics.
- ❖ The Charlottesville/Albemarle Convention and Visitors Bureau will increase the amount of economic expenditures generated from groups visiting Charlottesville and Albemarle County.

Charlottesville/Albemarle Convention and Visitors Bureau

The Charlottesville/Albemarle Convention and Visitors Bureau (CACVB) is a regional program funded by the City, County, and by revenues generated from the private sector. The Bureau operates two visitor centers, one on Route 20 near Monticello and one on the Downtown Mall. The Bureau is also responsible for marketing area tourism assets to leisure travelers, group tours and meeting planners.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$412,204	\$486,506	\$576,581	\$90,075	18.51%
Other Expenditures	<u>522,478</u>	<u>508,175</u>	<u>509,621</u>	<u>1,446</u>	<u>0.28%</u>
Total	\$934,682	\$994,681	\$1,086,202	\$91,521	9.20%
General Fund Total	\$475,592	\$477,385	\$525,021	\$47,636	9.98%
Non General Fund Total	<u>459,090</u>	<u>517,296</u>	<u>561,181</u>	<u>43,885</u>	<u>8.48%</u>
Total	\$934,682	\$994,681	\$1,086,202	\$91,521	9.20%
Non General Fund FTEs	8.0	10.00	10.00	0.0	

Explanation of Changes: Salaries and benefits are increasing due to increases in retirement costs, a 4% salary increase in FY 2007 and the addition of several approved positions in this budget: a Web Content Manager and Executive Secretary. The slight increase in Other Expenditures is the result of increases in fixed costs (notably IT User Fees, which include the cost of a server used only by CACVB), advertising and marketing expenditures, and decreases in printing and duplicating and other contractual services.

Per agreements with the County and City, the CACVB receives a contribution from each equal to 25% of lodging tax revenues realized in FY 2006. (The Lodging Tax rate is 6% but the CACVB, per agreement with the City, receives revenue based on 5%.)

Comprehensive Services Act

The Comprehensive Services Act (CSA), established in 1992 by the General Assembly, is a state-mandated interagency program that serves children who are in foster care or at risk of going into foster care, have certain special education needs, are involved in the Juvenile Court system and/or have serious emotional or behavioral problems. The latter two groups are not mandated by the State but can be served by CSA. The CSA created a state pool of funds, previously funded by several different funding streams that went to separate agencies, and established a formula for local matching funds. Charlottesville's CSA match rate is 31%.

CSA funds and services are administered by local interagency boards.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
General Fund Total	\$1,857,067	\$1,944,411	\$2,260,146	\$315,735	16.24%
Non General Fund Total	<u>4,779,393</u>	<u>6,365,167</u>	<u>6,105,426</u>	<u>(259,741)</u>	<u>-4.08%</u>
Total	\$6,636,460	\$8,309,578	\$8,365,572	\$55,994	0.67%

Note: The Non General Fund portion of this budget represents the State funded portion of CSA, \$5,410,001, and the City School's portion, \$695,425.

Community Attention

Community Attention provides a range of services including residential and community-based components. This agency strives to provide cost effective, user friendly, and clinically sound services in the context of interagency collaboration and active family involvement and responsibility. Community Attention attempts to individualize services for each client as needed, including making referrals to and coordinating with community services outside the agency. The program is primarily funded by the Virginia Juvenile Community Crime Control Act (VJCCCA) and the Comprehensive Services Act (CSA). Referrals may begin with any service component and transition to alternative or supplementary services.

- The Attention Home is a co-ed group home located at 414 4th St. N.E. in Charlottesville serving boys and girls ages 12-18 for both crisis and long-term residential placement. The program provides 24-hour supervision, case management, educational support, recreational activities, specialized topic and life-skill groups, and an option for supplemental services.
- Family Group Homes is a treatment foster care system of foster families for boys and girls age 8-21 in Charlottesville, Albemarle, and surrounding counties with the ability to accept emergency placements and provide long term foster care leading to permanency.
- Teens GIVE is a Service-Learning, Character Education and Life Skills training program placing children ages 9–18 in relationship-based community agencies and volunteer projects. Supervised volunteer activities are supplemented with services that include mentoring, tutoring, character education, case management, counseling, reflection, and recreation activities.
- The Community Supervision Program provides case management, counseling, assessment, diversion, and supervisory services for community-based youth. Services include employment coaching and supervision, coordination of therapeutic services, transportation, and court-directed Electronic Monitoring. Community Attention also offers a series of skill building and life skill training groups for children ages 10-18. Topics include anger management, conflict resolution, job readiness, educational support, other relevant life skills and character education topics for at-risk youth.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,466,767	\$1,629,624	\$1,634,561	\$4,937	0.30%
Other Expenditures	<u>528,537</u>	<u>617,405</u>	<u>665,604</u>	<u>48,199</u>	<u>7.81%</u>
Total	\$1,995,304	\$2,247,029	\$2,300,165	\$53,136	2.36%
General Fund Total	\$105,966	\$127,339	\$141,192	\$13,853	10.88%
Non General Fund Total	<u>1,889,338</u>	<u>2,119,690</u>	<u>2,158,973</u>	<u>39,283</u>	<u>1.85%</u>
Total	\$1,995,304	\$2,247,029	\$2,300,165	\$53,136	2.36%
Non General Fund FTEs	27.25	26.00	26.00	0.0	

Explanation of Changes: The net increase in Salaries and Benefits can be attributed to a 4% salary increase during FY 2007, increases in retirement costs, and a reduction in personnel due to staffing reorganization. Several operating expenses are increasing as well, primarily in the area of fixed costs.

<u>FY 08 Services</u>	<u>FY 08 Budget</u>
Administration	\$285,699
Family and Juvenile Justice Services	<u>2,014,466</u>
Total	\$2,300,165

Community Events and Festivals

City Council appropriates funds to various **Community Events and Festivals** that contribute to the City's economic base and cultural quality of life.

Agency	FY05-06 Actual	FY06-07 Budget	FY07-08 Budget	Increase/ (Decrease)	% Change
Virginia Film Festival	\$11,109	\$14,500	\$15,000	\$500	3.45%
Virginia Festival of the Book	14,137	14,500	15,000	500	3.45%
Jefferson's Thanksgiving Festival	4,900	4,900	4,900	0	0.00%
First Night Virginia	2,500	2,500	2,500	0	0.00%
Historical Society Spirit Walk	5,000	5,000	5,000	0	0.00%
Lewis and Clark Festival	3,500	3,500	0	(3,500)	-100.00%
Heritage Repertory Theatre	3,500	3,500	0	(3,500)	-100.00%
African American Festival	3,000	3,000	3,000	0	0.00%
Juneteenth Celebration	0	1,500	1,500	0	0.00%
Sister City Committee	0	0	5,000	5,000	100.00%
City Supported Events	<u>6,940</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>0.00%</u>
General Fund Total Contributions	\$54,586	\$67,900	\$66,900	(1,000)	-1.47%

Explanation of Changes: Recommended contributions to area festivals are shown above. The **Lewis and Clark Festival** has indicated that they will no longer request local government funds. The **Heritage Repertory Theatre** did not request funds for FY 2008 because they will not have a 2007 season. **City Supported Events** represents funds for various City supported community events that have not been previously budgeted; for example, transit service during the 4th of July fireworks event, the Dogwood Festival and First Night Virginia. These funds will also be used for unanticipated events that arise during the year.

Contributions to Children, Youth and Family Oriented Programs

The City of Charlottesville provides funding for various agencies which contribute health and social service benefits to the community. Among these, the **Soccer Organization of Charlottesville and Albemarle** and the **Music Resource Center** reach young people through their interests in sports and music to attain higher goals. The **Virginia Extension Service** offers programs in agriculture and natural resources, 4-H, home economics, and community resource development. The **Charlottesville-Albemarle Health Department** and **Blue Ridge Medical Center** provide services for protecting and promoting the health of the public. **Computers 4 Kids** provides computer training for students. **Monticello Area Community Action Agency (MACAA)** is a local anti-poverty agency created to serve low-income persons in Planning District Ten. **Madison House** recruits, trains and places University of Virginia student volunteers in 16 programs serving area residents. **Sexual Assault Resource Agency (SARA)** provides crisis intervention, confidential emotional support, information and referrals to sexual assault victims. **Shelter for Help in Emergency (SHE)** provides services to women and children who are victims/survivors of domestic violence within Planning District Ten. **Region Ten Community Services Board (CSB)** provides mental health, mental retardation, and substance abuse services. The **Jefferson Area Board for the Aging (JABA)** provides for the planning and coordination of services for the elderly. The **United Way Child Care and Teensight Scholarships** provide child care subsidies for children of low-income working parents. **Children, Youth and Family Services** encourages the positive growth and development of children. The **Charlottesville Commission on Children and Families (CCF)** provides oversight, coordination and evaluation of children and youth programs. The **Charlottesville Free Clinic** provides free primary medical and dental care services to the working poor. The **Partnership for Children** is a collaboration of 14 agencies that provide services to families with children age 0-6. Its mission is to build a supportive community where all children are nurtured in healthy families and arrive at school ready to learn. The **AIDS/HIV Services Group (ASG)** provides comprehensive support services to persons with AIDS/HIV. The mission of **Abundant Life Ministries** is to bring together members of the Prospect Ave neighborhood and the local Christian community in order to empower residents to flourish in all aspects of life. The **Boys and Girls Club** strives to inspire and enable all young people to realize their full potential as productive, responsible and caring citizens. The **Alliance for Community Choice in Transportation** is dedicated to promoting balanced transportation options through education and leadership. The **Blue Ridge Medical Latino Lay Health Promotion Program** seeks to increase access to primary and preventative health care for local Spanish-speaking residents. The **Summer Youth Internship Program** provides students with an opportunity to work and be exposed to various job settings with the City, Schools and area non-profits. The **Thomas Jefferson Youth Football League** is dedicated to promoting teamwork, sportsmanship, and character through athletics.

Agency	FY05-06 Actual	FY06-07 Budget	FY07-08 Budget	Increase/ (Decrease)	% Change
Soccer Org. of C'ville/Albemarle	\$9,939	\$9,939	\$9,641	(\$298)	-3.00%
Music Resource Center	44,584	44,584	46,800	2,216	4.97%
Virginia Extension Service	40,687	40,936	42,940	2,004	4.90%
C'ville/Albemarle Health Department	412,440	437,186	496,653	59,467	13.60%
Computers 4 Kids	10,000	10,600	11,130	530	5.00%
Monticello Area Community Action Agency	252,762	260,833	274,403	13,570	5.20%
Madison House	6,852	7,400	7,992	592	8.00%
Sexual Assault Resource Agency	23,781	24,494	23,000	(1,494)	-6.10%
Shelter for Help in Emergency	86,609	91,502	98,822	7,320	8.00%
Region Ten Community Service Board	757,795	757,795	881,067	123,272	16.27%
Jefferson Area Board on Aging	253,368	253,340	288,574	35,234	13.91%
United Way	120,766	126,804	166,304	39,500	31.15%
Teensight Scholarships	22,054	22,716	22,716	0	0.00%
Children, Youth and Family Services	43,833	45,145	67,728	22,583	50.02%
Charlottesville Commission on Children and Families	242,613	272,474	293,810	21,336	7.83%
Juvenile Justice Services (CCF)	0	0	83,558	83,558	100.00%
Free Clinic	13,217	14,274	15,416	1,142	8.00%
Partnership for Children	304,182	321,431	344,621	23,190	7.21%
AIDS/HIV Services Group	11,500	12,190	12,922	732	6.00%
Abundant Life Ministries	20,800	22,464	23,362	898	4.00%
Boys and Girls Club	12,000	12,720	13,483	763	6.00%
Alliance for Community Choice in Transportation	0	0	6,500	6,500	100.00%
Blue Ridge Medical - Latino Lay Health Promotion Program	0	0	5,000	5,000	100.00%
Summer Youth Internship Program	0	0	30,000	30,000	100.00%
Thomas Jefferson Youth Football League	0	0	7,500	7,500	100.00%
General Fund Total Contributions	\$2,689,782	\$2,788,827	\$3,273,942	\$485,115	17.39%
Other Fund Total	\$609,313	\$633,551	\$0	(\$633,551)	-100.00%

Contributions to Education and the Arts

The City of Charlottesville provides funding for organizations to support educational and/or artistic contributions to the community. **Jefferson-Madison Regional Library** serves residents by providing circulation of current material, offering reference and information services and allowing residents to access the Internet. The **Charlottesville Contemporary Center for the Arts** provides a home for three non-profit arts and educational groups: Live Arts, Second Street Gallery and Light House, each dedicated to providing the community with experiences and education in the arts. **Piedmont Virginia Community College** is a two-year, non-residential institution of higher learning that offers occupational-technical, college transfer, continuing adult education and general education programs. The **McGuffey Art Center**, housed in a converted City school, provides studio space to local artists and offers a variety of classes to area residents. The **Charlottesville Municipal Band** is a volunteer organization that performs 15-20 free concerts throughout the year, including a summer concert series on the Downtown Mall. **WVPT** and **WHTJ** are noncommercial television stations that broadcast a diverse schedule of informational, cultural, and educational programs. **Piedmont Council for the Arts** is dedicated to promoting, coordinating and serving the arts that enrich the lives of residents and visitors to Charlottesville. The **Virginia Discovery Museum** is a dynamic, educational museum, filled with interactive exhibits for young people and adults, which fosters cooperation and understanding among generations and encourages children and adults to learn together. **The Literacy Volunteers of America Charlottesville/Albemarle** promotes increased literacy for adult learners in the area through the effective use of volunteers, support services to volunteers and learners, and collaboration with others desiring to foster increased literacy. The **Ash Lawn-Highland Summer Festival** offers a cultural opportunity for outdoor theater. The **Historic Preservation Task Force** is a group of interested citizens appointed by the Mayor to promote and help educate the community about the City's historic resources. **Urban Vision** is an educational advancement program directed at low income children between the ages of 5 and 14, which encourages the involvement of the parents while bringing educators and principals to the neighborhoods of the students that they teach.

Agency	FY05-06 Actual	FY06-07 Budget	FY07-08 Budget	Increase/ (Decrease)	% Change
Jefferson Madison Regional Library	\$1,155,139	\$1,236,424	\$1,287,467	\$51,043	4.13%
C'Ville Contemporary Center for the Arts	30,992	31,408	31,331	(77)	-0.25%
Piedmont Virginia Community College	15,552	15,552	34,250	18,698	120.23%
McGuffey Art Center	41,601	55,875	22,815	(33,060)	-59.17%
Municipal Band	46,866	49,678	55,659	5,981	12.04%
WVPT	2,122	2,249	2,384	135	6.00%
WHTJ	2,122	2,249	2,384	135	6.00%
Piedmont Council for the Arts	13,430	14,236	15,090	854	6.00%
Virginia Discovery Museum	5,374	5,535	5,588	53	0.96%
Literacy Volunteers of America	30,300	31,335	36,050	4,715	15.05%
Ash Lawn-Highland Summer Festival	9,270	9,826	10,000	174	1.77%
Historic Preservation Task Force	16	5,000	5,000	0	0.00%
Urban Vision	0	26,000	26,000	0	0.00%
General Fund Total Contributions	\$1,352,784	\$1,485,367	\$1,534,018	\$48,651	3.28%

Department of Social Services

Social Services provides state and federal income support, employment, and social work service programs that work to alleviate poverty and other social problems. Programs include Temporary Assistance to Needy Families (TANF), the Virginia Initiative for Employment Not Welfare (VIEW), Medicaid, Food Stamps, Auxiliary Grants, Low-Income Energy Assistance, Refugee Assistance, State and Local Hospitalization, General Relief, Family Access to Medical Insurance Security (FAMIS), Child and Adult Protective Services, Foster Care and Adoption, Child Day Care, Family Services and Adult Services.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$5,487,430	\$6,196,485	\$6,586,685	\$390,200	6.30%
Other Expenditures	<u>6,323,254</u>	<u>7,249,671</u>	<u>7,431,959</u>	<u>182,288</u>	<u>2.51%</u>
Total	\$11,810,684	\$13,446,156	\$14,018,644	\$572,488	4.26%
General Fund total	\$2,245,358	\$2,970,468	\$3,255,236	\$284,768	9.59%
Non General Fund Total	<u>9,565,326</u>	<u>10,475,688</u>	<u>10,763,408</u>	<u>287,720</u>	<u>2.75%</u>
Total	\$11,810,684	\$13,446,156	\$14,018,644	\$572,488	4.26%
Non General Fund FTE	106.675	106.180	106.180	0.0	

Explanation of Changes: The total budget of Social Services increased by 4.26% due to the annualizing of the 4% raise provided in FY 2007, retirement costs and various fixed costs.

In past years, Federal Pass-Through funds have covered approximately 30% of the increases Social Services is experiencing as mentioned above. However, in FY 2008 cuts in Federal Title IV-E funds will negate the increase in Federal Pass-Through funds. Hence, the need for the General Fund to cover most (\$312,843) of the increases to Social Services in FY 2008.

Other increases in Social Services include a new State funded Virginia Public Guardian Grant, increases in State funded Special Needs Adoption payments, and increases in State and Federal funded Subsidized Adoption payments.

<u>FY 08 Services</u>	<u>FY 08 Budget</u>
Administration	\$6,659,363
Direct Assistance	4,323,308
Day Care Purchased Services	1,592,393
Purchased Services	151,054
Grants	<u>1,292,526</u>
Total	\$14,018,644

Housing Programs and Tax Relief

The **Rent Relief Programs** for the elderly and the disabled are designed to provide relief from the expense of rent to those on fixed incomes. In order to qualify, applicants must meet eligibility requirements established by City ordinance.

The **Tax Relief Programs** for the elderly and disabled provide those qualifying individuals 65 or older, who own their own homes, with real estate tax assistance. Applicants must meet the eligibility requirements established by City ordinance in order to qualify.

In FY 2007, the City adopted and implemented the **Charlottesville Housing Affordability Tax Grant Program**. This program targets those homeowners, regardless of age, who need and qualify for assistance in paying their real estate taxes during the year. The relief is in the form of a tax grant on the homeowner's bill.

The **Albemarle Housing Improvement Program (AHIP)** assists low-income City residents living in substandard housing to make necessary repairs and improvements to their homes as part of the rehabilitation process. AHIP provides counseling on home maintenance, taxes, credit and legal matters to ensure that the improvements made will be long lasting.

Piedmont Housing Alliance (PHA) is a regional organization dedicated to improving the lives of low and moderate-income families and individuals by creating housing and community development opportunities.

The **Charlottesville Community Design Center** leads an interactive public design process for individuals, neighborhoods, and public and private organizations to achieve the highest equitable, sustainable and aesthetic benefits to the community.

Funding Summary	FY05-06 Actual	FY06-07 Budget	FY07-08 Budget	Increase/ (Decrease)	% Change
Rent Relief for the Elderly	\$7,360	\$15,314	\$15,314	\$0	0.00%
Rent Relief for the Disabled	52,629	78,460	78,460	0	0.00%
Tax Relief for the Elderly	515,013	751,541	666,617	(84,924)	-11.30%
Tax Relief for the Disabled	67,561	80,117	84,924	4,807	6.00%
Charlottesville Housing Affordability Tax Grant Program	0	420,000	588,767	168,767	40.18%
Albemarle Housing Improvement Program	85,783	86,669	91,869	5,200	6.00%
Piedmont Housing Alliance	113,525	120,337	136,640	16,303	13.55%
Charlottesville Community Design Center	<u>0</u>	<u>25,000</u>	<u>26,500</u>	<u>1,500</u>	<u>6.00%</u>
General Fund Total	\$841,871	\$1,577,438	\$1,689,091	\$111,653	7.08%

Explanation of Changes: The **Charlottesville Housing Affordability Tax Grant Program** will experience significant programmatic changes during FY 2008: house value limit will increase by 46% to \$350,000, and benefits will be distributed differentially based on income: \$500 to eligible applicants making under \$25,000 and \$350 to those making income between \$25,000 and \$50,000.

All of the tax relief programs being offered by the City total \$1.34 million, which equates to just over 2.5 cents of the real estate tax rate.

This budget does not change the eligibility requirements for the disabled and elderly tax relief programs that are set in place by Council: income limit of \$50,000 and no more than \$125,000 in assets. The reduction in budget simply reflects the actual cost of the program benefits.

Neighborhood Development Services

The Department of Neighborhood Development Services was created through the consolidation of related functions from several existing departments, in response to community and organizational feedback that the City needed to develop a better focus on neighborhood planning issues (including development of the Comprehensive Plan in 2000 and in 2006, and the new zoning ordinance in 2003) and streamline the development review process.

Functional areas within the department include neighborhood planning, zoning enforcement, housing code enforcement, engineering, surveying, GIS and mapping, building permits and inspections, bridge inspections, transportation planning, traffic engineering, traffic calming, stormwater design, sidewalk design, water and wastewater design, contract and specification writing, construction management and inspection, VDOT projects technical liaison, historic preservation, neighborhood preservation, community development, development processes, urban design and site plan review and approvals. Additional duties include overseeing grants and federally funded programs, such as the Community Development Block Grant (CDBG), as well as coordinating staffing for the City Planning Commission, Board of Architectural Review, and various other city boards and task forces.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,808,864	\$2,027,441	\$2,254,871	\$227,430	11.22%
Other Expenditures	<u>338,423</u>	<u>394,908</u>	<u>474,700</u>	<u>79,792</u>	<u>20.21%</u>
General Fund Total	\$2,147,287	\$2,422,349	\$2,729,571	\$307,222	12.68%
General Fund FTEs	26.0	27.0	27.0	0.0	
Other Funded FTEs	4.0	3.5	3.5	0.0	

Explanation of Changes: This budget reflects one new position: an **Assistant Traffic Engineer**. This position will provide assistance and support to the City's existing Traffic Engineer on various aspects of transportation and traffic planning issues, including addressing citizen concerns, traffic calming initiatives, making recommendations on traffic signals and developing a regional ITS plan, and acting as the City's liaison with UVA and VDOT on various traffic issues. Other factors that increase Salaries and Benefits include the annualization of the 4% salary increase given during FY 2007 and increased retirement costs.

In addition, one City Engineer has been moved from this department to the Utilities, therefore showing no net change in FTEs.

Other Expenditures is increasing due to the following: funds to purchase Synchro 7.0 (Trafficware) and Highway Capacity Software for the Traffic Engineer, additional training opportunities for planners in order to keep them current in the field, additional funds to cover the minute taking for extra Planning Commission, BAR and Board of Zoning Appeals meetings, which now occur monthly, and increases in advertising due to the overall volume of development in the City.

Parks and Recreation

Recreation is composed of the following units: Administration, Athletics, Aquatics, Therapeutic Programs, Youth Programs, Centers, City Market, Special Programs, and Parks Maintenance. The goal of Recreation is to work as a team to provide a wide variety of quality recreation services to the community.

Parks & Grounds provides services to the citizens of Charlottesville for the management and maintenance of parks, the Downtown Mall, cemeteries, city and school grounds, major thorough-fares, neighborhood rights-of-way, and entryways to neighborhoods. The City also shares an operational cost with Albemarle County for **Darden Towe Park**.

Golf Fund is fully funded by its own fees and revenue and provides the administration and coordination of all services and maintenance at the 18 hole Meadowcreek Golf Course at Pen Park and the 9 hole McIntire Golf Course.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$4,630,085	\$5,068,104	\$5,525,580	\$457,476	9.03%
Other Expenditures	2,086,599	2,209,999	2,864,688	654,689	29.62%
Capital Maintenance	<u>0</u>	<u>0</u>	<u>293,590</u>	<u>293,590</u>	<u>100.00%</u>
Total	\$6,716,684	\$7,278,103	\$8,683,858	\$1,405,755	19.31%
General Fund Total	\$5,708,448	\$6,106,906	\$7,299,868	\$1,192,962	19.53%
Non General Fund Total	<u>1,008,236</u>	<u>1,171,197</u>	<u>1,383,990</u>	<u>212,793</u>	<u>18.17%</u>
Total	\$6,716,684	\$7,278,103	\$8,683,858	\$1,405,755	19.31%
General Fund FTE	65.65	66.63	66.63	0.0	
Non General Fund FTE	9.0	8.75	8.75	0.0	

Explanation of Changes: The increase in Salaries and Benefits can be attributed to increases in retirement costs and the annualization of a 4% salary increase granted in FY 2007.

There are several programmed service enhancements in this budget including expanded after school youth programs, increased funding for grounds and tree maintenance, and improvement and expansion of various community events. In addition, the Capital Maintenance expenditures shown are funds that were previously funded in the Capital Improvement Fund but moved to the operational budget since the nature of the use of these funds are for routine annual maintenance rather than long term capital.

Finally, there is a separate pool of funds, budgeted under Designated Expenditures, for the replacement of several pick-up and dump trucks determined to be beyond their useful life in accordance with the City of Charlottesville and national replacement standards.

<u>FY 08 Services</u>	<u>FY 08 Budget</u>
Parks and Recreation Administration	\$639,178
Athletics	317,973
Youth Programs	390,196
Aquatics	1,001,528
Therapeutics and Seniors	292,706
Centers and Playgrounds	657,281
Special Programs	161,981
City Market	55,719
Parks Maintenance	3,711,306
Shared Parks Operations (Darden Towe Park)	72,000
Golf Course Operations	<u>1,383,990</u>
Total	\$8,683,858

INFRASTRUCTURE & TRANSPORTATION

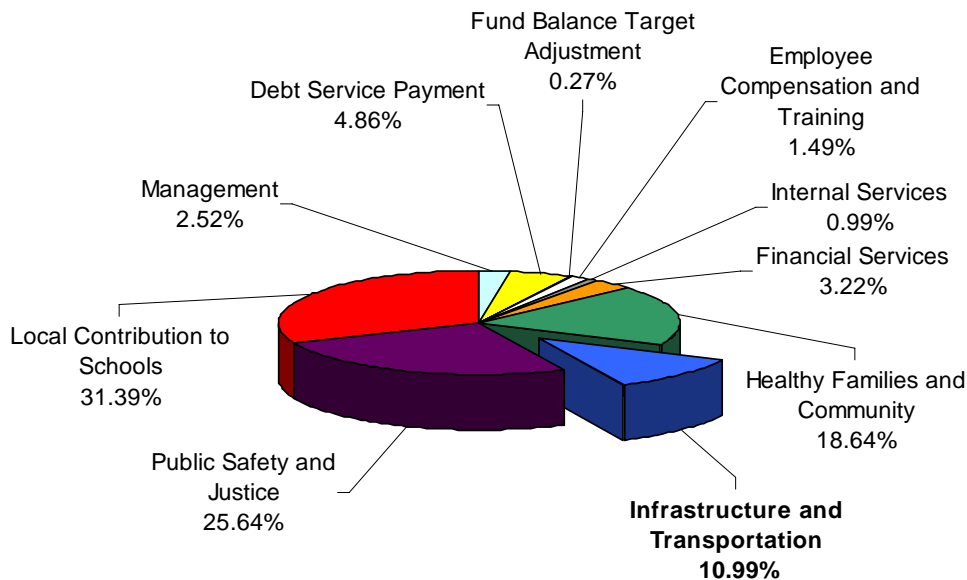


Infrastructure & Transportation Summary

	FY2005-2006 General Fund Actual	FY2006-2007 General Fund Budget	FY2007-2008 General Fund Budget	FY2005-2006 Other Funds Actual	FY2006-2007 Other Funds Budget	FY2007-2008 Other Funds Budget
INFRASTRUCTURE AND TRANSPORTATION						
Public Works: Administration/Facilities Management	\$2,001,113	\$2,168,403	\$2,274,460	\$251,611	\$315,538	\$341,938
Public Works: Public Service/Fleet	6,221,199	7,789,728	8,779,077	1,991,116	2,627,020	1,014,705
Public Works: Transit/School Pupil Transportation/JAUNT	1,382,705	2,046,797	2,369,719	3,715,823	6,336,718	5,346,589
Public Works: Utilities	0	0	0	51,995,392	52,782,157	55,089,513
INFRASTRUCTURE AND TRANSPORTATION SUBTOTAL	\$9,605,017	\$12,004,928	\$13,423,256	\$57,953,942	\$62,061,433	\$61,792,745
 2007-08 General Fund Budget	 \$13,423,256					
2006-07 General Fund Budget	\$12,004,928					
Increase/(Decrease)	\$1,418,328					
Percentage Change	11.81%					

Infrastructure and Transportation

As a percentage of operating budget



INFRASTRUCTURE AND TRANSPORTATION

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ Facilities Maintenance completed the Technical Energy and Water Savings Audit on 11 major City and City Schools facilities, which will be used to guide the energy saving initiatives in future fiscal years.
- ❖ The Public Service Division successfully laid 15,000 tons of asphalt, poured 500 cubic yards of concrete, collected 26,000 tons of refuse, 2,500 tons of recyclables, and 2,000 tons of leaves.
- ❖ The Fleet Division implemented a pilot project using Bio-diesel fuel on 18 selected vehicles and pieces of equipment, in an effort to be more environmentally friendly and realize possible cost savings in the future.
- ❖ Public Utilities (Water) continued upgrading the system by replacing undersized water mains and corroded service lines.
- ❖ Public Utilities (Gas) completed a multi-year replacement program in the 9th Street SW area to correct a system deficiency.
- ❖ Public Utilities (Wastewater) began phase I field construction for the Stadium Road sanitary sewer collector line replacement. The new line replaces 5,200 feet of 15 and 18 inch pipe with sizes up to 30 inches, and commenced the design effort for phases II and III, a total of 8,160 feet.
- ❖ The Environmental Administration Division completed Stream Corridor Assessments as part of the Urban Watershed/Stormwater Management Planning programs.

GOALS AND OBJECTIVES FOR FY 2008

- ❖ Focus on making as many improvements to the City's infrastructure (i.e. government and school facilities, roads, sidewalks, and utility lines) as possible.
- ❖ Complete system wide sanitary sewer assessment to re-evaluate needs and continue the Inflow and Infiltration program, which rehabilitates the sanitary sewer system and improves it to meet the current and future needs of the City.
- ❖ Implement a uni-directional flushing program for the water distribution system to clean the interior of the pipes, and conduct a system wide leak detection survey.
- ❖ Continue the gas main extension program to identify new and potential customers to increase Gas Fund revenues for the City.
- ❖ Integrate the new Downtown Station into Charlottesville Transit Service operations and begin to provide real-time travel information to improve customer service.
- ❖ Public Service will launch the Intelligent Transportation System in three major City traffic corridors – Emmet, West Main, and Preston – in an effort to improve traffic flow throughout the City.
- ❖ Continue to monitor Fleet inventory and maintain non-accountability of parts at 1% value or less. Industry standards are 3-5% range.
- ❖ Expand the tracking of facility related utilities to those of all City facilities, with the goal of reducing utility consumption in all City facilities by 10% per facility.

Public Works: Administration/Facilities Management & Maintenance

Public Works Administration is responsible for the planning, organization, direction, and budgetary/financial control of the seven divisions of Public Works. The goal of the division is to foster the safe, reliable, responsive and cost-effective provision of services to both the citizens of Charlottesville and internal customers.

Facilities Management is directly responsible for the planning, procurement and construction of all facility-related capital projects undertaken by the City and the Public Schools. Building on the goal of the Public Works Administration group, the on-going goal of the Facilities Management division is to improve the quality of our service by employing effective management principles and practices, innovative technology, improved communications, teamwork and fiscal responsibility.

Facilities Maintenance provides routine repair and preventive maintenance services to 39 buildings either owned or leased by the City. Custodial Services are also provided to 8 City-owned facilities. The goal of Facilities Maintenance is to provide clean, safe, and pleasing facilities for the enjoyment of Charlottesville's general citizenry and to protect the City's \$70m + infrastructure investment. This service area also provides contracted services to all City School buildings. The budget and narrative for these contracts are on page 84.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,094,050	\$1,134,269	\$1,226,253	\$91,984	8.11%
Other Expenditures	<u>1,158,664</u>	<u>1,349,672</u>	<u>1,390,145</u>	<u>40,473</u>	<u>3.00%</u>
Total	\$2,252,714	\$2,483,941	\$2,616,398	\$132,457	5.33%
General Fund Total	\$2,001,103	\$2,168,403	\$2,274,460	\$106,057	4.89%
Non General Fund Total	<u>251,611</u>	<u>315,538</u>	<u>341,938</u>	<u>26,400</u>	<u>8.37%</u>
Total	\$2,252,714	\$2,483,941	\$2,616,398	\$132,457	5.33%
General Fund FTEs	14.0	14.0	13.5	(0.5)	
Non General Fund FTEs	2.0	2.0	2.5	0.5	

Explanation of Changes: The increase in this budget is attributed to a 4% salary increase granted during FY 2007 and increases in retirement costs. Other Expenditures is increasing due to fixed costs. The Market St. Garage is actually experiencing a decrease of 2% due to successful energy saving efforts, which are also being accounted for in other city buildings, for a total savings of almost \$34,000. The HVAC Fund budget provides for a small contingency account to help absorb those emergencies that occur during the year and to build up a reserve for future events. Finally, the City's custodial contract is projected to increase 3.5%.

<u>FY 08 Services</u>	<u>FY 08 Budget</u>
Public Works Administration	\$728,246
Facilities Management	1,546,214
Facilities Maintenance / HVAC Services	<u>341,938</u>
Total	\$2,616,398

Public Works: Public Service/Fleet Management Operations

Public Service functions consist of Refuse Collection, Streets and Sidewalks, Stormwater maintenance, and Traffic Operations. Refuse Collection is responsible for administering and monitoring the City's contract with a private firm for collection of domestic refuse/recyclables. Streets and Sidewalks is responsible for maintenance of City streets and sidewalks, City owned parking lots, leaf collection, emergency weather response, and data collection that assures continued annual VDOT maintenance funding. Stormwater Maintenance is responsible for maintenance of stormwater infrastructure. Traffic Operations maintains signs, signals, publicly owned street lighting systems, parking meters, and pavement markings. It also is responsible operationally for the Intelligent Transportation System.

Fleet Management Operations is responsible for repairs to City-owned vehicles and equipment, and for management of the fuel system and the vehicle wash facility.

The City's contribution of **\$1,610,000** for the environmental remediation of the **Ivy Landfill** is also included.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$3,191,374	\$3,466,116	\$3,592,243	\$126,127	3.64%
Operating Expenditures	<u>5,020,941</u>	<u>6,950,632</u>	<u>6,201,539</u>	<u>(749,093)</u>	<u>-10.78%</u>
Total	\$8,212,315	\$10,416,748	\$9,793,782	(\$622,966)	-5.98%
General Fund Total	\$6,221,199	\$7,789,728	\$8,779,077	\$989,349	12.70%
Non General Fund Total	<u>1,991,116</u>	<u>2,627,020</u>	<u>1,014,705</u>	<u>(1,612,315)</u>	<u>-61.37%</u>
Total	\$8,212,315	\$10,416,748	\$9,793,782	(\$622,966)	-5.98%
General Fund FTEs	51.0	51.0	51.0	0.0	
Non General Fund FTEs	12.0	12.0	12.0	0.0	

Explanation of Changes: There are two areas of service improvement: weed cutting in the City's right-of-ways (\$25,000), and the permanent addition of a 4PM refuse pickup on the Downtown Mall (\$25,000) a result of a successful pilot program conducted last year. Also included is the continuation of a service improvement implemented in February 2007 that now includes plastic bottles and cardboard as part of curbside recycling.

The increase in Salaries and Benefits can be attributed to a 4% salary increase granted during FY 2007 and increases in retirement costs. In addition to the service changes listed above, Other Expenditures is seeing a net increase due to fixed costs, the addition of replacement funds for future purchase of dump trucks and bucket trucks, and a 10% increase in the Rivanna tipping fee charged to the City. Fleet Management Operations, which is the Non General Fund portion of this budget, is decreasing in Other Expenditures due to the way in which vehicle fuel and parts are now charged directly to departmental budgets rather than flowing first through the Fleet Fund. In addition, the vehicle wash, which was previously not self supporting, will be self supporting starting in FY 2008.

There is also a pool of funds budgeted under Designated Expenditures, totaling \$838,000, for the replacement of several dump trucks, a storm sewer flusher truck, a leaf collector, pick up trucks, a bucket truck, and a SWAT van, all of which have been determined to be beyond their useful life in accordance with the City of Charlottesville and national replacement standards.

FY 08 Services	FY 08 Budget
Administration	\$450,092
Streets and Sidewalk Services	2,972,334
Stormwater	477,728
Refuse Collection Services	1,884,560
Contribution to Ivy Landfill	1,610,000
Traffic Operations	645,770
Street Lighting Operations	738,593
Fleet Management Operations	920,171
Fuel and Wash Facility	<u>94,534</u>
Total	\$9,793,782

Public Works: Transit/JAUNT

Charlottesville Transit Service's (CTS) goal is to provide dependable, efficient, convenient, and safe transportation alternatives to the single occupant vehicle for the citizens and visitors of the greater Charlottesville area. Functions include Charlottesville Transit Service, Greyhound Station Operations, and the Downtown Station. School Pupil Transportation is also a function of the Transit Division, but the budget and narrative is shown on page 84.

CTS provides fixed-route bus service Monday through Saturday from 6:00 a.m. to midnight throughout Charlottesville. Beginning in FY 2008, CTS will also offer limited service during the day on Sunday. CTS also offers free trolley service between Downtown and the University, special event service such as First Night Virginia, and LINK demand Response service Monday through Friday. Beginning in FY 2008, CTS will offer fare-free service to those displaying valid photo identification from the University. Based on funding, CTS also provides fixed-route service in the urbanized areas of Albemarle County. In addition to City funds, CTS expenses are covered by federal and state subsidies and passenger fares. In FY 2008, the City's contribution to CTS is \$1,594,126.

The **Greyhound Intercity Bus Terminal** serves eleven buses daily, seven days a week, with express service to Richmond and service to Atlanta, Dallas, New York City, and points in between.

FY 2008 will be the first full year that the **Downtown Transit Station** is part of CTS operations. On the Water Street level, this facility provides CTS passengers an indoor-waiting area, public restrooms, and a place for learning more about CTS services. In addition, on the Pedestrian Mall level, the Charlottesville/Albemarle Convention and Visitors Bureau (CACVB) leases office and lobby space to distribute visitor information.

JAUNT is a regional transit system that carries the general public, agency clients, the elderly, and people with disabilities throughout Central Virginia.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$2,903,051	\$3,062,937	\$3,405,383	\$342,446	11.18%
Other Expenditures	1,442,686	1,731,048	1,748,957	17,909	1.03%
Transit Bus Replacement	185,025	2,929,686	1,786,375	(1,143,311)	-39.03%
Contribution to JAUNT	<u>567,766</u>	<u>659,844</u>	<u>775,593</u>	<u>115,749</u>	<u>17.54%</u>
Total	\$5,098,528	\$8,383,515	\$7,716,308	(\$667,207)	-7.96%
General Fund Total	\$1,382,705	\$2,046,797	\$2,369,719	\$322,922	15.78%
Non General Fund Total	<u>3,715,823</u>	<u>6,336,718</u>	<u>5,346,589</u>	<u>(990,129)</u>	<u>-15.63%</u>
Total	\$5,098,528	\$8,383,515	\$7,716,308	(\$667,207)	-7.96%
Non General Fund FTEs	66.0	66.0	66.0	0.0	

Explanation of Changes: In FY 2008 two CTS service initiatives are planned: Sunday Service on Route 7, the Free Trolley, and Jaunt, and a Fare-Free Month of CTS service to promote ridership and raise public awareness of transit as alternative transportation. The increase in Salaries and Benefits can be attributed to a 4% salary increase in FY 2007 and retirement and health care cost increases. The increase in Other Expenditures is due to a full year of operations at the Downtown Transit Station and increases in fixed costs to the Transit Division. Funds are included to replace four CTS buses and expand by one bus (\$1,786,375) – 84 percent of the cost is covered by federal and state grants, with a 16 percent local match required. This match of \$230,637 is included in the Proposed FY 2008 CIP. An additional \$55,184 in County match funds for the expansion bus is anticipated. The expansion bus will not be purchased unless the County provides the required match.

FY 08 Services	FY 08 Budget
Transit System Operations	\$4,994,376
Greyhound Station Operations	159,964
Transit Bus Replacement	1,786,375
Contribution to JAUNT	<u>775,593</u>
Total	\$7,716,308

Public Works: Gas, Water and Wastewater Utilities

Public Utilities operates and maintains the water, wastewater, and natural gas distribution systems. The goal of the Utilities is to provide authorized service in a safe, reliable, responsive, and cost effective manner.

The Gas, Water and Wastewater budgets are funded by the utility rates and include funding for administration, operations, and maintenance of the three systems as well as funding for infrastructure improvements, technology advances, storm water, environmental, and debt payments. The billing/collection functions of the City's utilities are performed by the Finance Department's Utility Billing Office. The utility budgets are separate from the General Fund and are not supported by taxes. These budgets and the respective rates are considered and adopted by the City Council in May of each year.

	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$4,493,315	\$5,251,128	\$5,443,326	\$192,198	3.66%
Other Expenditures	46,720,250	41,946,089	43,973,120	2,027,031	4.83%
Capital Projects	330	3,314,150	3,314,150	0	0.00%
Debt Service	<u>781,497</u>	<u>2,270,790</u>	<u>2,358,917</u>	<u>88,127</u>	<u>3.88%</u>
Non General Fund Total	\$51,995,392	\$52,782,157	\$55,089,513	\$2,307,356	4.37%
Non General Fund FTEs	89.0	89.0	90.0	1.0	

Explanation of Changes: The net increase in Salaries and Benefits include 4% raises granted during FY 2007, increases in retirement costs and savings from staff reorganizations that have taken place during the year. The increase in FTE's can be attributed to the transfer of an Engineering position from Neighborhood Development Services and was previously budgeted as a contractual expense. Other Expenditures are increasing due to several fixed costs increases; the addition of charges for the usage and maintenance of the Geographic Information System (GIS); increases in engineering and consultant fees; increased leak detection and line replacements for water operations; and , the addition of \$350,000 in funding for a Horizontal Drilling Machine in the Gas equipment replacement budget.

Included in this budget are authorized contributions to City Link: \$1.25 million from the Gas Fund and smaller contributions from the Water and Wastewater Funds.

<u>FY 08 Services</u>	<u>FY 08 Budget</u>
Gas Operations	\$34,338,103
Wastewater Operations	8,624,925
Water Operations	9,767,568
Utilities Debt Service	<u>2,358,917</u>
Total	\$55,089,513

PUBLIC SAFETY & JUSTICE

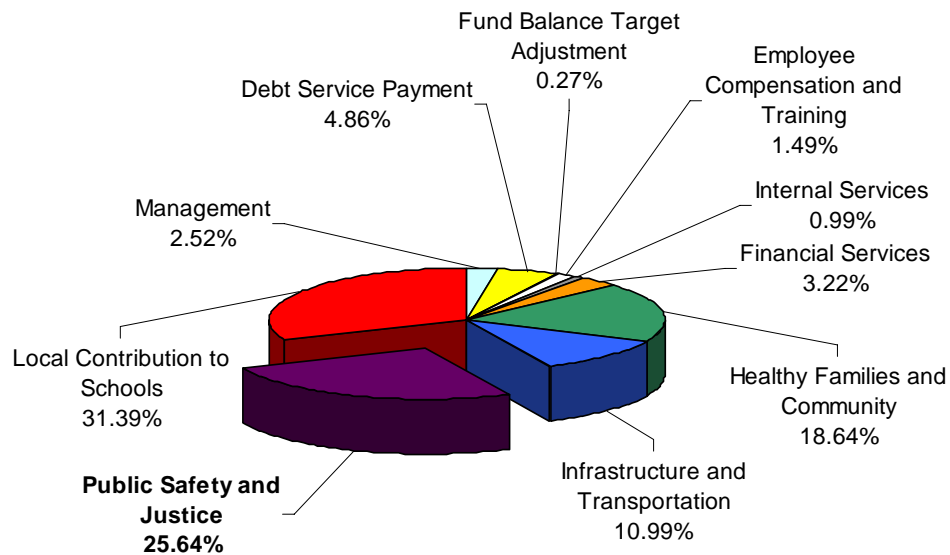


Public Safety and Justice Summary

	FY2005-2006 General Fund Actual	FY2006-2007 General Fund Budget	FY2007-2008 General Fund Budget	FY2005-2006 Other Funds Actual	FY2006-2007 Other Funds Budget	FY2007-2008 Other Funds Budget
PUBLIC SAFETY AND JUSTICE						
City Sheriff	\$897,421	\$905,284	\$950,772	\$0	\$0	\$0
Commonwealth's Attorney	705,284	745,944	892,785	0	0	0
Contributions to Programs Supporting Public Safety & Justice Programs	5,262,256	6,534,127	6,734,809	0	0	0
Courts and Other Support Services	861,186	950,194	989,236	0	0	0
Fire Department: EMS/Ambulance Service	0	0	966,122	0	0	0
Fire Department: Operations	7,313,997	7,741,471	8,084,366	0	0	0
Police Department	11,533,778	11,784,053	12,701,846	0	0	0
PUBLIC SAFETY AND JUSTICE SUBTOTAL	\$26,573,922	\$28,661,073	\$31,319,936	\$0	\$0	\$0
 2007-08 General Fund Budget	 \$31,319,936					
2006-07 General Fund Budget	\$28,661,073					
Increase/(Decrease)	\$2,658,863					
Percentage Change	9.28%					

Public Safety and Justice

As a percentage of operating budget



PUBLIC SAFETY AND JUSTICE

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The Fire Department maintained a zero preventable fire fatality rate in Charlottesville for the 10th year in a row. This has never been achieved in Charlottesville for such a period of time and is well below the national and state average for a City of our population and density.
- ❖ Transferred all fire dispatching functions to the Emergency Communications Center.
- ❖ The Fire Department installed approximately 75 smoke detectors in City residences free of charge.
- ❖ Established a regional law enforcement gang committee comprised of members of the Charlottesville, Albemarle, and University of Virginia Police Departments, to identify and address gang related issues and problems.
- ❖ Successfully implemented the new regional 800MHz radio system and additional Mobile Video Recorders in order to better protect the citizens of Charlottesville.
- ❖ The Sheriff's Office installed video links for the General District and Circuit Courts that have reduced the number of transports by the Sheriff's Office to facilities throughout Virginia at a cost savings to the City.
- ❖ The City Sheriff's Office served approximately 25,000 papers (warrants, summons, etc.).
- ❖ Police Chief Timothy J. Longo, Sr., was appointed by the Commonwealth of Virginia Department of Criminal Justice Services to the Executive Board of the Virginia Law Enforcement Professional Standards Commission.

GOALS AND OBJECTIVES FOR FY 2008

- ❖ Maintain the Fire Department's International Accreditation.
- ❖ The Fire Department will install working smoke detectors in every home in Charlottesville.
- ❖ Installation of Automatic External Defibrillators in 60% of City-owned buildings in FY 2008 and 100% installation over three years.
- ❖ Implementation of an EMS Transport Ambulance service and improvement of EMS transport response times in the City.
- ❖ Police Department will train 25% of its personnel in Regional Crisis Intervention Team (CIT) procedures to increase the effectiveness of law enforcement response to and handling of situations and cases involving persons who are mentally ill or under the influence of intoxicating drugs.
- ❖ The Police Department will continue providing a high level of customer service at all points of contact and continue efforts to reduce and suppress crime.
- ❖ Implement Mobile Data Computers to provide police officers in the field with the information and tools necessary to improve decision making ability, to increase public safety, and to enhance the level of service provided to the citizens of the community.

City Sheriff

The Sheriff's Office is responsible for providing security at the Circuit Court and General District Court to all employees, jurors, witnesses, inmates, and visitors. The office must comply with mandates stated in the Virginia State Code for court security, civil process, and transportation of prisoners and patients pursuant to governor's warrants and court orders from the civil/chancery side of the courts' docket. Additionally, the office summons both grand and petit jurors, responds to questions, and manages their court schedule.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$715,416	\$726,750	\$770,045	\$43,295	5.96%
Other Expenditures	<u>182,005</u>	<u>178,534</u>	<u>180,727</u>	<u>2,193</u>	<u>1.23%</u>
General Fund Total	\$897,421	\$905,284	\$950,772	\$45,488	5.02%
General Fund FTEs	11.0	11.0	11.0	0.0	

Explanation of Changes: This budget reflects a 4% salary increase granted during FY 2007 and increases in retirement costs. Other Expenditures are increasing due to fixed costs, a small increase in book funds to cover the increase in frequency of updates and associated costs for the Code of Virginia and funds to cover costs associated with the purchase of up-to-date Polk Directories for the Deputies to assist them in the service of civil process.

Commonwealth's Attorney

The Office of the Commonwealth's Attorney prosecutes criminal cases in Charlottesville's Circuit, General District, and Juvenile and Domestic Relations courts. The office provides on-going legal advice and guidance not only to the Charlottesville Police Department, concerning investigations and matters of law enforcement policy, but also to other City of Charlottesville departments that have law enforcement responsibilities. While maintaining appropriate constitutional independence, the Commonwealth's Attorney and staff collaborate with community and governmental agencies in the furtherance of public safety, the well-being of crime victims and the health of Charlottesville as a community.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$651,095	\$688,799	\$827,337	\$138,538	20.11%
Other Expenditures	<u>54,189</u>	<u>57,145</u>	<u>65,448</u>	<u>8,303</u>	<u>14.53%</u>
General Fund Total	\$705,284	\$745,944	\$892,785	\$146,841	19.69%
General Fund FTEs	8.0	10.0	10.0	0.0	
Grant Funded FTEs	3.5	3.5	3.5	0.0	

Explanation of Changes: During the 2006 General Assembly session, the Compensation Board approved two new positions for this office: an **Assistant Attorney** and a **Paralegal**. Funding has been included in FY 2008 for both of these positions, of which approximately 55% is reimbursed by the Compensation Board. Salaries and Benefits is also increasing as a result of the 4% salary raise granted in FY 2007 and increases in retirement costs. Other Expenditures is increasing due primarily to fixed costs.

Contributions to Programs Promoting Public Safety and Justice

The **Piedmont Court Appointed Special Advocates** is a nonprofit agency that trains and supervises volunteers to serve as court advocates for abused and neglected children in Charlottesville and Albemarle County and to promote the best interests of the child.

The Legal Aid Society confronts the causes and effects of poverty through the creation and development of comprehensive responses to the problems of the poor using innovative legal advocacy, community legal education, and client involvement.

The **Albemarle/Charlottesville/Nelson Regional Jail** houses prisoners from the City of Charlottesville, Albemarle County, Nelson County and, when space is available, from state and federal facilities. Costs not reimbursed by the State are divided between the City and Counties based upon actual usage.

The **Blue Ridge Juvenile Detention Home**, first opened in 2002 near the Joint Security Complex, allows youth to be closer to their homes and families in Charlottesville, and have access to a full range of pre- and post-disposition services.

The **911/Emergency Communications Center**, located on Ivy Rd., is responsible for processing all 911 calls made in the area, the dispatching of police officers, fire, and emergency medical services. Emergency services functions related to local disaster preparedness and response are coordinated through the Center.

Offender Aid and Restoration (OAR) assists individuals when arrested, imprisoned or released from incarceration to gain and retain self-respecting, self-sustaining and crime-free lifestyles.

The **Charlottesville-Albemarle Society for the Prevention of Cruelty to Animals (SPCA)** serves as the City pound, provides care and shelter for stray animals, promotes animal welfare, adoptions and educates the public about animal care.

Agency	FY05-06 Actual	FY06-07 Budget	FY07-08 Budget	Increase/ (Decrease)	% Change
Piedmont Court Appointed Special Advocates	\$0	\$7,400	\$8,500	\$1,100	14.86%
Legal Aid Society	51,369	53,424	55,561	2,137	4.00%
Regional Jail	3,022,801	3,655,066	3,719,677	64,611	1.77%
Blue Ridge Juvenile Detention	795,311	1,035,047	952,614	(82,433)	-7.96%
Emergency Communications Center	1,201,642	1,559,829	1,740,206	180,377	11.56%
Offender Aid and Restoration	158,155	194,061	223,325	29,264	15.08%
Society for the Prevention of Cruelty to Animals	<u>32,978</u>	<u>29,300</u>	<u>34,926</u>	<u>5,626</u>	<u>19.20%</u>
General Fund Total Contributions	\$5,262,256	\$6,534,127	\$6,734,809	\$200,682	3.07%

Explanation of Changes: The **Emergency Communications Center's** increase of \$180,377 is mostly attributed to the first year of 800 MHz system maintenance, ½ year of Mobile Data Computer system maintenance, increase in 911 trunk costs and an increased number of user licenses for the police RMS system. In addition, a 4% cost of living adjustment and merit/market increase is included. The increase to **Offenders Aid and Restoration** can be attributed to funding a new program, Restorative Justice, as recommended by the Agency Budget Review Team (ABRT).

Courts and Other Support Services

The City of Charlottesville is served by several courts. The **General District Court** enforces criminal laws of the Commonwealth of Virginia and handles civil disputes within the Court's jurisdiction. The **Circuit Court** is the court of record and has sole jurisdiction in criminal felony cases and civil cases involving large sums, and final jurisdiction in all civil and criminal cases. The Clerk of the Circuit Court is responsible for recording documents pertaining to the transfer of title to land, the probate of wills, the collection of the state and city recordation fees associated with the recordation, and the indexing of those documents. Judgments rendered in this court, as well as in other courts within and outside the state and in federal court, are docketed in this office. This court also hears appeals of State administrative cases. The **Juvenile & Domestic Relations Court** handles violations of the law committed by and against juveniles. It is also responsible for trying family and other domestic-related cases. The **Office of the Magistrate** is usually a person's first contact with the judicial process. This office issues arrest warrants and determines admittance to bail or commitment to detention of accused parties. The Magistrate also serves as conservator of the peace.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$512,707	\$549,535	\$575,115	\$25,580	4.65%
Other Expenditures	<u>348,479</u>	<u>400,659</u>	<u>414,121</u>	<u>13,462</u>	<u>3.36%</u>
General Fund Total	\$861,186	\$950,194	\$989,236	\$39,042	4.11%
General Fund FTEs	11.0	11.0	11.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits can be attributed to 4% raises granted during FY 2007 and increases in retirement costs. There are also increases in fixed costs.

FY 08 Services	FY 08 Budget
Clerk of Circuit Court	\$623,001
Circuit Court Judge	92,205
General District Court	30,388
Juvenile and Domestic Relations Court	228,742
Court Services Unit	4,000
Magistrate	<u>10,900</u>
Total	\$989,236

**Fire Department: EMS/
Ambulance Service**

Due to population growth, increased traffic congestion, the introduction of new large entertainment venues and other influences, emergency medical service responses in the City and County have grown enormously. The proposed 24 hour career fire department staff ambulance service will supplement the already high level of services provided by Charlottesville/Albemarle Rescue Squad (CARS). In addition, an ambulance billing mechanism will be put into place to provide revenue recovery to limit the impact on the general fund budget. This is modeled after what several localities in Virginia have done.

The service and billing mechanism is planned to be fully operational starting January 2008 and therefore the following budget includes funds for 8 months of personnel/operations, of which two months will be dedicated to training, and 6 months of revenue recovery and full service operations. Operations will include 8 new firefighter/medics, a contracted Medical Director and one new Administrative Assistant who will coordinate with the third party billing contractor. In addition, 11 existing firefighter/medics will be assigned to this service.

The department is expected to respond to 1,500 calls in the second half of FY 2008, generating an estimated \$414,375 in revenue.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$0	\$0	\$632,872	\$632,872	100.00%
Other Expenditures	<u>0</u>	<u>0</u>	<u>333,250</u>	<u>333,250</u>	<u>100.00%</u>
General Fund Total	\$0	\$0	\$966,122	\$966,122	100.00%
General Fund FTEs	0.0	0.0	9.0	9.0	

<u>FY 08 Services</u>	<u>FY 08 Budget</u>
Administration	\$83,515
EMS/Ambulance Operations	<u>882,607</u>
Total	\$966,122

Fire Department: Operations

The Fire Department consists of five divisions: Administration, Fire Fighting, Fire Prevention, Maintenance, and Training and Technology. Administration seeks input from members of the Department, other City departments, and citizens to develop and coordinate the Fire Department's mission. Fire Fighting responds to over 6,400 requests for fire suppression and emergency medical service annually. Fire Prevention is responsible for enforcement of the Fire Prevention Code, plans review, fire investigations, and public fire education. Training and Technology provides administrative, technical, communication and training support for the Department's programs.

The Fire Department was accredited in 2001, and again in 2007 through the Commission on Fire Accreditation International. This makes it one of only 83 such fire departments around the world. The Department is one of four ISO Class 2 departments in Virginia, and is the only ISO Class 2 in the state that is also accredited. It is currently working on gaining an ISO 1 classification.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$6,353,089	\$6,456,403	\$6,977,861	\$521,458	8.08%
Other Expenditures	<u>960,908</u>	<u>1,285,068</u>	<u>1,106,505</u>	<u>(178,563)</u>	<u>-13.90%</u>
General Fund Total	\$7,313,997	\$7,741,471	\$8,084,366	\$342,895	4.43%
General Fund FTEs	94.0	89.0	89.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits is a result of fully realizing the 4% salary increase granted during FY 2007 and increases in retirement costs.

Besides the increases in fixed costs, the net decrease in Other Expenditures can be attributed to reallocating \$250,000 from this budget to the debt service account, for future purchases of fire apparatus, and additional funds for fuel, vehicle maintenance, turnout gear and utilities.

In addition, there are funds for replacement and new defibrillators and GIS data terminals for command vehicles contained in the **FY 2008 Capital Improvement Program**, a total of **\$190,000**.

In the **Employee Compensation and Benefits** pool, **\$125,000** is budgeted to alleviate compression between the supervisory ranks and adds career development into a professional development (expertise skill pay) program open to firefighters and captains. Finally, there is an adjustment for battalion chief positions which cannot receive professional development pay due to the nature of their functional positions.

<u>FY 08 Services</u>	<u>FY 08 Budget</u>
Administration	\$585,133
Fire Fighting/Suppression Services	<u>7,499,233</u>
Total	\$8,084,366

Police Department

The Police Department's mission is to improve the quality of life of citizens living, working or visiting within the City. The Police Department is committed to providing the citizens of the City of Charlottesville with a modern and professional department, which protects life and property; preserves law and order; enforces criminal, traffic, and regulatory laws; and, provides essential public safety services to our community. The Charlottesville Police Department is equally committed to the infusion of community policing throughout the community. The Police Department's philosophy of community policing requires common trust and embraces citizen partnerships. It focuses on arresting problems in neighborhoods, reducing crime and the fear of crime, solving on-going problems rather than treating the symptoms that plague communities, and improving the quality of life for our citizens. The Police Department provides comprehensive law enforcement and consists of a Patrol Bureau, General Investigations Bureau, Neighborhood Services Bureau, Administrative Services Bureau, Forensic Unit, Traffic Unit, as well as SWAT and Crisis Negotiation teams. This department is also responsible for the administration and operational control of the multi-jurisdictional Jefferson Area Drug Enforcement (JADE) task force. In cooperation with federal, state, and other local law enforcement agencies, the detectives and supervisors of JADE are effectively reducing the flow of drugs and guns into our community.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$9,454,394	\$9,889,695	\$10,649,209	\$759,514	7.68%
Other Expenditures	<u>2,079,384</u>	<u>1,894,358</u>	<u>2,052,637</u>	<u>158,279</u>	<u>8.36%</u>
General Fund Total	\$11,533,778	\$11,784,053	\$12,701,846	\$917,793	7.79%
General Fund FTEs	146.0	146.43	146.43	0.0	

Explanation of Changes: Salaries and Benefits reflects a 4% salary adjustment granted during FY 2007, increases in retirement costs, overtime and career development. Other Expenditures are increasing as a result of fixed costs, funds required for maintenance of the 800 MHz radio equipment, additional funds for staff training, maintenance funds for existing mobile data computers, and replacement funds for future replacement of a SWAT Van to be purchased in FY 2008.

In addition, there is **\$145,000** budgeted in the **Employee Compensation and Benefits** pool that addresses compression among supervisors.

There is also **\$622,700** for **mobile data computers** and **\$195,760** for **mobile video cameras** in the **FY 2008 Capital Improvement Program**. This equipment will fully complement all patrol cars.



SCHOOL OPERATIONS



School Operations

High quality education is provided for approximately 3,977 students (projected for 2007-2008 school year) in grades K-12 in seven elementary schools, one middle school and one high school under the direction of the Charlottesville School Board. Education programs for adults are also offered through evening classes at Charlottesville High School, the Adult Basic Education Learning Center and the Charlottesville-Albemarle Technical Education Center.

The course offerings in the system include special programs such as: learning disability, programs for the emotionally disturbed, an enrichment program for gifted and exceptional students, an alternative program for school drop-outs, vocational and technical education, and homebound instruction. The system also provides counseling services in health, guidance, and psychological and social programs. The school budget is formulated by the School Board. The budget is formally presented to City Council in March and is appropriated with the City's Operating Budget in April.

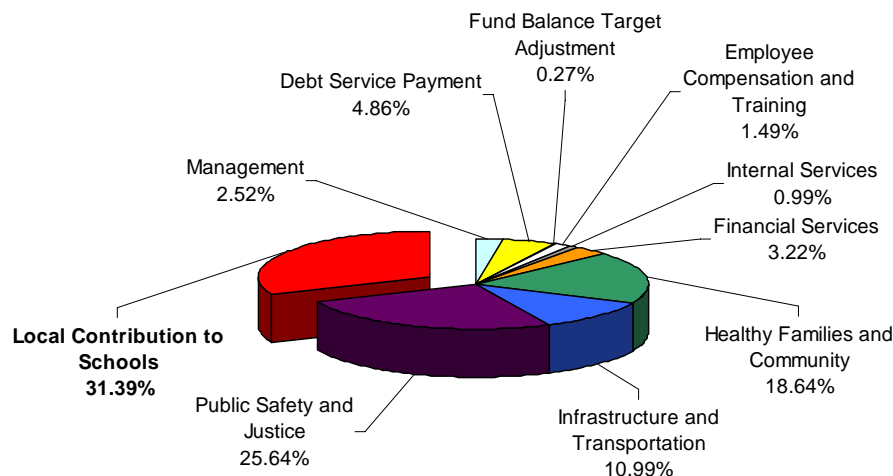
Additionally, approximately 33% of the City's debt service payment from the general fund is for school projects. And, in the Proposed FY 2008 CIP, there is **\$1.6 million** dedicated to the schools capital projects, and an additional **\$400,000** dedicated to School ADA improvements (page 85).

The table below represents the entire school operational budget for FY 2008, for both the Schools General and Non General Funds.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Local Contribution	\$32,100,025	\$34,012,025	\$38,340,609	\$4,328,584	12.73%
State Funds	18,681,088	19,875,145	19,956,922	81,777	0.41%
Federal Funds	4,645,413	6,327,618	5,229,006	(1,098,612)	-17.36%
Misc. Funds	3,358,773	1,530,648	2,551,726	1,021,078	66.71%
Total	\$58,785,299	\$61,745,436	\$66,078,263	\$4,332,827	7.02%
Schools General Fund Total	\$48,996,143	\$51,825,338	\$55,821,334	\$3,995,996	7.71%
Schools Non General Fund Total	9,789,156	9,920,098	10,256,929	336,831	3.40%
Total	\$58,785,299	\$61,745,436	\$66,078,263	\$4,332,827	7.02%

Local Contribution to Schools

As a percentage of operating budget



City/School Contracted Services

Reflected below are the cost of services and personnel to meet common objectives in the areas of school building maintenance and energy efficiencies, and school pupil transportation.

School Building Maintenance/Energy Management/HVAC Services - Established via a 1997 Building and Grounds Maintenance Agreement, Schools Maintenance, a Public Works division, provides routine repair and preventive maintenance services to 9 Charlottesville Public School campuses and the Central Administration. Those services include Electrical, Mechanical, Plumbing, Carpentry, Roofing and Painting. A variety of "Small Capital Projects" are executed by Schools Maintenance and by Public Works Facilities Management. Regulatory compliance is assured for all building, public safety and accessibility codes and mandates. Utilities for each facility are carefully monitored by staff, and paid from a separate budget. The goal of the division is to provide safe, secure, functional and aesthetically pleasing facilities for Charlottesville Public Schools students and staff.

Pupil Transportation - Pupil Transportation is a section of the Transit Division of Public Works. Pupil Transportation provides student transportation services to and from the City schools and several alternative education sites, activity bus service, and field trip service under contract to the Charlottesville City Schools. The Pupil Transportation fleet consists of 44 school buses. To maintain a safe and reliable fleet, school buses are replaced after ten years. Six school buses in the fleet are equipped with wheelchair lifts, to service children with special needs.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,773,707	\$1,864,567	\$2,293,810	\$429,243	23.02%
Other Expenditures	<u>2,862,534</u>	<u>3,253,315</u>	<u>3,279,062</u>	<u>25,747</u>	<u>0.79%</u>
General Fund Total	\$4,636,241	\$5,117,882	\$5,572,872	\$454,990	8.89%
School Funded FTEs	32.5	36.5	43.0	6.5	

Explanation of Changes: The increase in School Building Services positions can be attributed to the transfer of **one** former school employee to the City per the building maintenance agreement. In addition, the schools will be purchasing additional transportation services up front, including summer service and field trips, for the upcoming school year. Other increases in Salaries and Benefits can be attributed to increases in retirement costs and the annualization of the 4% salary raise granted in FY 2007. Other Expenditures are increasing due to increases in fixed costs and utilities. The increase in Pupil Transportation FTE's is due to the Schools purchase of additional service hours in FY08.

The School funded portion of school building maintenance, HVAC and energy maintenance is \$3,135,144. The remainder of this budget is funded by billed services to other city departments and agencies.

The School funded portion of pupil transportation is \$2,297,067. The remainder of this budget is funded through billed services for private charter services, approximately \$126,000 in projected revenue.

<u>FY 08 Services</u>	<u>FY 08 Budget</u>
Pupil Transportation	\$2,423,951
School Building Maintenance	<u>3,148,921</u>
Total	\$5,572,872

CAPITAL IMPROVEMENT PROGRAM



Capital Improvement Program Fund

The Capital Improvement Program Fund (CIP) provides funding for streets, public buildings, land and other capital assets, which generally have a useful life of 5 years or more and cost more than \$50,000. City Council has set a policy to allocate at least 3% of the General Fund operating budget for capital improvements.

The annual capital budget is part of the City's multi-year Capital Improvements Plan (CIP), which is designed to coordinate the planning, financing, and construction of capital projects. As part of the capital improvement process, it has been recognized that funding needs to be set aside for the maintenance of City facilities. Separate funding is adopted in the General Fund budget for smaller maintenance projects in the Facilities Repair Fund.

There are several factors that must be taken into consideration during the development of the capital budget. Charlottesville's public facilities are aging, there is no significant growth in population, and the set boundaries of the City make capital budgeting an important part of the annual budget process. For these reasons, the City must respond to the capital needs of the community with investments aimed at revitalizing and maintaining the existing facilities and infrastructure of the City.

The City's CIP process is designed to coordinate and align capital projects with City priorities and strategies. As departments are preparing their CIP requests, they are asked to score their projects based upon a set of seven weighted criteria. These criteria not only help the department think about the type of requests they are submitting, but serve as a key factor when the CIP Executive Committee begins to discuss the projects as a whole, since generally requests far outweigh available funding.

CIP submissions are received by the Budget Office, which organizes and prepares the submissions for review. Next the CIP Staff Ranking Committee begins meetings to discuss, and if necessary re-rank the requested projects. The CIP Staff Ranking Committee consists of staff members from Neighborhood Development Services, Public Works, Budget, Parks and Recreation, Public Safety and one member from a non-CIP requesting department, which for this year's process was Social Services. The CIP then goes to the Executive Committee, which reviews all projects and their criteria scoring, and develops a recommendation that is fiscally sound and reflects the overall priorities of the City and its needs. The CIP Executive Committee consists of the City Manager, COO/CFO, Finance Director, and the Budget Director.

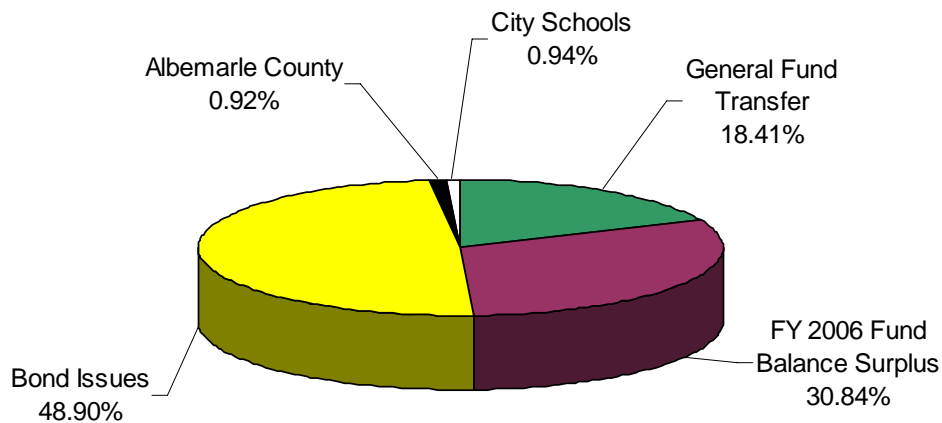
The final proposal from the Executive Committee then comes before the Planning Commission for review and feedback. Following Planning Commission consideration and approval, the annual budget and revised five-year CIP are forwarded to the City Manager and then to City Council for inclusion in the annual budget.

FY 2008 Capital Improvement Program Revenues and Expenditures

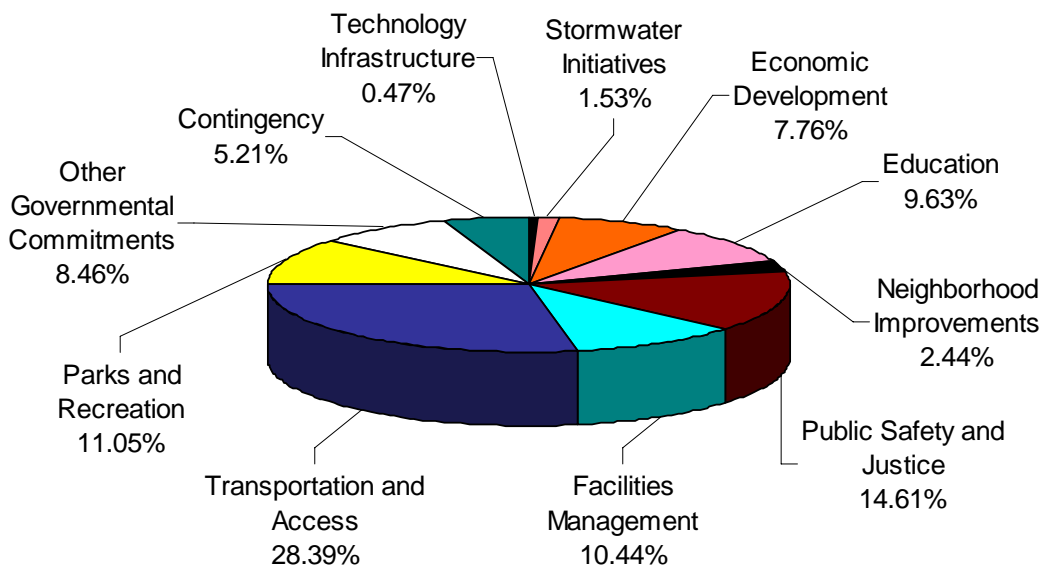
Given the need for capital projects that exists in the community, the **FY 2008-2012** Capital Improvement Program recommends the use of approximately **\$52.4 million** in long-term debt to finance a portion of the **\$84.4 million** multi-year program. The balance will be funded with transfers of funds from the General Fund, through the revenue sharing agreement with Albemarle County, usage of one-time surplus money and with contributions from Albemarle County and the City Schools.

The Capital Improvement Program for **FY 2007-2008** contains projects totaling **\$20.1 million**, as well as a capital projects contingency account totaling **\$1.1 million**, for a total capital improvement program budget equaling **\$21.27 million**.

Revenues



Expenditures



Description of Capital Projects

Bondable Projects

Education

For FY 2008, the City of Charlottesville allocates \$1.65 million to the City schools for various large and small capital improvements. Some of the projects covered by this sum include: CHS Gymnasium floor and bleacher replacement; Buford exterior painting and waterproofing; Greenbrier roof replacement; interior painting system wide; Walker roof replacement; Burnley-Moran exterior and façade repairs; and Walker exterior painting and waterproofing.

Facilities Capital Projects

Facilities Capital Projects has been allocated \$2.19 million. This includes a lump sum of \$1.45 million that has been allocated to fund improvements and repairs to various City owned facilities. These include the replacement of various air handlers and HVAC components; roof replacements and repairs; fire alarm and fire sprinkler repairs; and any other repairs deemed to be necessary in order to preserve the City's properties; \$351,000 to replace the Police Building Chiller; and \$391,000 for major facility improvements to Charlottesville Albemarle Technical Education Center (CATEC).

Public Safety and Justice

In FY 2008, \$2.1 million has been allocated for Public Safety and Justice capital improvement projects. Approximately \$1.5 million of these funds will be used to cover the construction costs associated with the expansion to the Ridge Street Fire Station, and \$600,000 will be used to cover the architectural & engineering design costs of replacing the Ivy Road/Fontaine Area Fire Station.

Transportation and Access

For FY 2008, a total of \$2.55 million is allocated to Transportation and Access for two main purposes. First, \$1.5 million is allocated for Major Downtown Mall/Side Street reconstruction. The remaining \$1.05 million is allocated for the construction of new sidewalks, trails and bike lanes throughout the City of Charlottesville.

Parks and Recreation

For FY 2008 the Parks and Recreation Department is allocated \$2 million. Onesty Pool Replacement will require \$1 million in FY08 funding. The Carver and Tonsler Emergency Repairs and Renovations project is allocated \$500,000 and the remaining \$500,000 allocated to Parks and Recreation is designated for emergency repairs and renovations to the Crow and Smith Centers.

Non-Bondable Projects

Education

The City Schools are allocated \$400,000 to accelerate system wide ADA improvements. Some of these improvements will include: automatic doors at CHS, Walker and Buford; accessible bathrooms at Walker, CHS, Greenbrier and Clark; installation of handrails at Walker, Buford and Jackson-Via; and various other accessibility and safety issues.

Economic Development – Strategic Investments

The Department of Economic Development is allocated \$1.65 million for the purpose of carrying out economic development initiatives. These funds are to be used to assist in long-term strategic improvements, to grow and expand the City's tax base, and for workforce development.

Non-Bondable Projects - Continued

Neighborhood Improvements

An additional \$520,000 is allocated to Neighborhood Improvements for non-bondable projects. These projects include \$120,000 in Neighborhood CIP funding; \$250,000 for housing initiatives; and \$150,000 for the continued establishment of a Housing Trust Fund.

Facilities Capital Projects

In FY 2008 an additional \$28,982 has been allocated to Facilities Management for the CATEC general facility maintenance projects, which are made up of various minor repairs and renovations.

Public Safety

For FY 2008 the City of Charlottesville has allocated an additional \$1,008,460 for Public Safety projects. \$818,460 will be used to purchase Mobile Data Computers and Mobile Video Cameras for police vehicles; \$160,000 is designated for the purchase of and replacement of automatic defibrillators in City facilities; and \$30,000 is for the purchase and installation of three Mobile Data Terminals for Fire Department Command Vehicles.

Transportation and Access

Transportation and Access receives \$913,373 for much needed street paving and reconstruction due to rapid deterioration that has been occurring in recent years; \$897,432 to use as matching grant funds for the CTS Operations Relocation; \$230,637 in grant match funds for CTS Transit bus replacement; \$300,000 for sidewalk repair; a combined \$370,000 for citywide traffic improvements and the intelligent transportation system; \$200,000 for State bridge and highway priorities; \$200,000 for wayfinding initiatives; and \$377,000 to be used as the required 2% matching funds for various grant funded projects such as the Belmont and JPA Bridge Repair projects. Total funding for this area is \$3.48 million.

Parks and Recreation

The Parks and Recreation Department is allocated an additional \$350,000 for non-bondable projects, which include: \$150,000 for improvements to City and School playgrounds; \$100,000 for Trails and Greenway development; and \$100,000 for urban tree preservation and planting.

Stormwater Initiatives

Stormwater initiatives are allocated funds totaling \$325,000. These projects include: \$175,000 for Neighborhood Drainage projects; \$100,000 for Citywide Emergency Drainage Projects; and \$50,000 for one-time costs associated with implementation of a Stormwater Utility program in FY 2009.

Technology Infrastructure

Technology Infrastructure projects are allocated \$100,000. Both the Communications Technology Account and City Wide Technology Improvements projects receive \$50,000 each.

Other General Government Commitments

Funds totaling \$1.8 million are allocated for other general government commitments. Green City initiatives are allocated \$50,000, which will enable implementation of some of the recommendations that will be coming out of the ***Sustainability Committee*** appointed by City Council. The new Charlottesville Affordable Housing Investment Program, whose mission is to meet the housing challenges facing our residents by dedicating, consolidating and expanding financial support for the preservation and production of affordable housing in our community, is allocated \$1.75 million.

Operational Impact

In the FY 2008 Capital Improvement Program (CIP), thirteen projects were identified as significant nonroutine capital expenditures. For the purposes of this analysis significant nonroutine capital expenditures are those projects which will cost more than \$250,000, are not routine maintenance, such as street and sidewalk reconstruction or facilities maintenance, and are not yearly recurring projects, such as Economic Development Strategic Initiatives. The operational impacts of these projects are discussed below.

<u>Project</u>	<u>FY08 CIP Cost</u>	<u>Operational Impacts</u>	<u>Operational Increases/Savings</u>
Police Building Chiller Replacement	\$ 351,000	Decreased maintenance costs; Improved efficiency and performance will decrease utility costs	Savings Estimated at \$9,173 in year one and \$337,411 over the 20 year life of equipment.
CATEC - Major Facility Improvements	\$ 391,000	Utility savings and increase life of equipment	Unknown at this time
ADA Improvements - City Schools	\$ 400,000	None	None
Fire Station HQ Expansion	\$ 1,500,000	Increased utility costs only	Increased cost of \$4.41 per square foot
Ivy Rd/Fontaine Area Fire Station Replacement	\$ 600,000	Increased utility costs, possible increased equipment costs, no increase in personnel costs	Increased cost of \$4.41 per square foot
Onesty Pool Replacement	\$ 1,000,000	Savings in utility costs and ability to generate additional revenue	Utility savings unknown at this time, but there is the possibility to double the amount of revenue currently being collected in by pool, which is approximately \$13,000 per year.
Carver & Tonsler Emergency Repairs/Renovations	\$ 500,000	Savings in utility costs	Too early in design phase to know exact amounts.
Smith & Crow Emergency Repairs/Renovations	\$ 500,000	Savings in utility costs	Too early in design phase to know exact amounts.
Major Downtown Mall/Sidestreet Reconstruction	\$ 1,500,000	Decreased maintenance costs and certain utility savings upon substantial completion	The exact amount of savings unknown at this time due to it being so early in the project design phase
New Sidewalks	\$ 1,050,000	Increase in overall annual sidewalk maintenance costs	\$10 per square foot of new sidewalk constructed
Mobile Data Computers	\$ 622,700	Increase in yearly contribution to the Computer Replacement Pool.	Each laptop purchased will cost an additional \$876.70 per year in Computer Replacement Funds.
City Match for CTS Operations Relocation	\$ 897,432	Savings on parking costs for CTS vehicles - which will have to be purchased in future if new facility is not constructed; possible utility savings and/or costs.	Overall amount of savings or costs depends upon the final design of the new operations location it is currently too early in the design phase accurately estimate costs/savings.
Charlottesville Affordable Housing Investment Program	\$ 1,750,000	Increased personnel costs associated with the administration of the program.	The amount of hours required to administer this program is unknown at this time.

FY 2008-2012 Capital Improvement Program

	<u>Adopted</u> <u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year Total</u>
Revenues						
Transfer from General Fund	3,665,259	4,378,882	4,367,317	4,168,794	3,764,381	20,344,633
Transfer from General Fund - CAHIP	250,000	500,000	750,000	1,000,000	1,080,000	3,580,000
FY 2006 Fund Balance Surplus	6,558,460	0	0	0	0	6,558,460
Contribution from Albemarle County - Levy Building	0	202,250	0	0	0	202,250
Contribution from Albemarle County - CATEC	195,500	54,000	69,000	0	0	318,500
Contribution from Schools (Small Cap Program)	200,000	200,000	200,000	200,000	200,000	1,000,000
CY 2007 Bond Issue	10,400,000	0	0	0	0	10,400,000
CY 2008 Bond Issue	0	12,300,000	0	0	0	12,300,000
CY 2009 Bond Issue	0	0	11,900,000	0	0	11,900,000
CY 2010 Bond Issue	0	0	0	10,000,000	0	10,000,000
CY 2011 Bond Issue	0	0	0	0	7,800,000	7,800,000
TOTAL AVAILABLE REVENUES	\$21,269,219	\$17,635,132	\$17,286,317	\$15,368,794	\$12,844,381	\$84,403,843
Expenditures						
BONDABLE PROJECTS						
EDUCATION						
<u>Project</u>	<u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year</u> <u>Total</u>
Lump Sum to Schools (City Contribution)	1,449,093	1,492,566	1,537,343	1,583,463	1,630,967	7,693,432
School Small Capital Improvements Program	200,000	200,000	200,000	200,000	200,000	1,000,000
Charlottesville High School Improvements	0	0	800,000	0	0	800,000
SUBTOTAL	\$1,649,093	\$1,692,566	\$2,537,343	\$1,783,463	\$1,830,967	\$9,493,432
FACILITIES CAPITAL PROJECTS						
<u>Project</u>	<u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year</u> <u>Total</u>
Lump Sum to Facilities Capital Projects	1,449,093	1,492,566	1,537,343	1,583,463	1,630,967	7,693,432
Levy HVAC Component Replacements	0	404,500	0	0	0	404,500
Police Building Chiller Replacement	351,000	0	0	0	0	351,000
CATEC - Major Facility Improvements	391,000	108,000	138,000	0	0	637,000
SUBTOTAL	\$2,191,093	\$2,005,066	\$1,675,343	\$1,583,463	\$1,630,967	\$9,085,932
PUBLIC SAFETY AND JUSTICE						
<u>Project</u>	<u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year</u> <u>Total</u>
Fire Station HQ Expansion	1,500,000	0	0	0	0	1,500,000
Bypass Fire Station Replacement	0	0	600,000	2,400,000	0	3,000,000
Ivy Road/Fontaine Area Fire Station Replacement	600,000	3,000,000	3,000,000	0	0	6,600,000
SUBTOTAL	\$2,100,000	\$3,000,000	\$3,600,000	\$2,400,000	\$0	\$11,100,000
TRANSPORTATION AND ACCESS						
<u>Project</u>	<u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year</u> <u>Total</u>
Major Downtown Mall/Side Street Reconstruction	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
New Sidewalks	1,050,000	400,000	400,000	400,000	400,000	2,650,000
SUBTOTAL	\$2,550,000	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000	\$10,150,000
PARKS AND RECREATION						
<u>Project</u>	<u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year</u> <u>Total</u>
Onesty Pool Replacement (Meade Park)	1,000,000	3,000,000	0	0	0	4,000,000
Carver & Tonsler Emergency Repairs	500,000	0	0	0	0	500,000
Washington Park Bathhouse	0	0	1,000,000	0	0	1,000,000
Crow & Smith Centers - Emergency Repairs	500,000	0	500,000	0	0	1,000,000
Recreation Facility Improvements	0	0	0	2,000,000	2,000,000	4,000,000
SUBTOTAL	\$2,000,000	\$3,000,000	\$1,500,000	\$2,000,000	\$2,000,000	\$10,500,000
SUBTOTAL BONDABLE PROJECTS	\$10,490,186	\$11,597,632	\$11,212,686	\$9,666,926	\$7,361,934	\$50,329,364
Bondable Contingency	\$688,813	\$811,834	\$784,888	\$676,685	\$515,335	\$3,523,055
TOTAL BONDABLE PROJECTS	\$11,178,999	\$12,409,466	\$11,997,574	\$10,343,611	\$7,877,269	\$53,806,919

FY 2008-2012 Capital Improvement Program

NONBONDABLE PROJECTS						
EDUCATION	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
ADA Improvements - City Schools	400,000	0	0	0	0	400,000
SUBTOTAL	\$400,000	\$0	\$0	\$0	\$0	\$400,000
ECONOMIC DEVELOPMENT	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Economic Development (Strategic) Initiatives	1,650,000	154,500	159,135	163,909	168,826	2,296,370
SUBTOTAL	\$1,650,000	\$154,500	\$159,135	\$163,909	\$168,826	\$2,296,370
NEIGHBORHOOD IMPROVEMENTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Neighborhood CIP Funds	120,000	120,000	120,000	120,000	120,000	600,000
Housing Initiatives	250,000	250,000	250,000	250,000	250,000	1,250,000
Housing Trust Fund	150,000	150,000	150,000	150,000	150,000	750,000
SUBTOTAL	\$520,000	\$520,000	\$520,000	\$520,000	\$520,000	\$2,600,000
FACILITIES CAPITAL PROJECTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
CATEC - General Facility Maintenance	28,982	29,851	30,747	31,669	32,619	153,868
Municipal Building Improvements/Space Efficiencies	0	200,000	200,000	200,000	200,000	800,000
SUBTOTAL	\$28,982	\$229,851	\$230,747	\$231,669	\$232,619	\$953,868
PUBLIC SAFETY	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Mobile Data Computers	622,700	0	0	0	0	622,700
Mobile Video Cameras	195,760	0	0	0	0	195,760
Defibrillators (Replacement and New)	160,000	0	0	0	0	160,000
Mobile Data Terminals	30,000	0	0	0	0	30,000
SUBTOTAL	\$1,008,460	\$0	\$0	\$0	\$0	\$1,008,460
TRANSPORTATION & ACCESS	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Sidewalk Repair	300,000	309,000	318,270	327,818	337,653	1,592,741
State Bridge and Highway Priorities	200,000	350,000	350,000	350,000	350,000	1,600,000
Belmont Bridge 2% Match	166,000	0	0	0	0	166,000
Street Reconstruction	913,373	580,274	597,682	615,612	634,080	3,341,021
Meadowcreek Parkway - 2% Match	131,000	0	0	0	0	131,000
JPA Bridge 2% Match	80,000	0	0	0	0	80,000
City Match for CTS Operations Relocation	897,432	0	0	0	0	897,432
CTS Transit Bus Replacement Match	230,637	363,030	325,601	373,879	373,880	1,667,027
Intelligent Transportation System	120,000	120,000	120,000	120,000	120,000	600,000
City Wide Traffic Improvements	250,000	250,000	250,000	250,000	250,000	1,250,000
Wayfinding Initiatives	200,000	500,000	0	0	0	700,000
SUBTOTAL	\$3,488,442	\$2,472,304	\$1,961,553	\$2,037,309	\$2,065,613	\$12,025,221
PARKS & RECREATION	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Parks and Schools Playground Renovations	150,000	154,500	159,135	0	0	463,635
Trails and Greenway Development	100,000	103,000	106,090	109,273	112,551	530,914
Urban Tree Preservation and Planting	100,000	103,000	106,090	109,273	112,551	530,914
Rives Park and Renovations	0	250,000	250,000	0	0	500,000
Forest Hills Park Shelter and Restroom	0	0	300,000	0	0	300,000
McIntire Park	0	0	0	375,000	250,000	625,000
Azalea Park Renovations	0	250,000	250,000	0	0	500,000
SUBTOTAL	\$350,000	\$860,500	\$1,171,315	\$593,546	\$475,102	\$3,450,463
STORMWATER INITIATIVES	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Neighborhood Drainage Projects	175,000	0	0	0	0	175,000
Emergency Drainage Projects (City Wide)	100,000	0	0	0	0	100,000
Stormwater Utility - One Time Implementation Costs	50,000	0	0	0	0	50,000
SUBTOTAL	\$325,000	\$0	\$0	\$0	\$0	\$325,000
TECHNOLOGY INFRASTRUCTURE	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Communications Technology Account	50,000	50,000	50,000	50,000	50,000	250,000
City Wide Technology Improvements	50,000	50,000	50,000	50,000	50,000	250,000
SUBTOTAL	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
OTHER GOVERNMENTAL COMMITMENTS						
Charlottesville Affordable Housing Investment Program	1,750,000	500,000	750,000	1,000,000	1,030,000	5,030,000
Green City Initiatives	50,000	50,000	50,000	50,000	50,000	250,000
SUBTOTAL	\$1,800,000	\$550,000	\$800,000	\$1,050,000	\$1,080,000	\$5,280,000
SUBTOTAL NONBONDABLE PROJECTS	\$9,670,884	\$4,887,155	\$4,942,750	\$4,696,433	\$4,642,160	\$28,439,392
Non Bondable Contingency	\$419,336	\$338,511	\$345,993	\$328,750	\$324,952	\$1,757,542
TOTAL NONBONDABLE PROJECTS	\$10,090,220	\$5,225,666	\$5,288,743	\$5,025,183	\$4,967,112	\$30,196,924
TOTAL PROJECT EXPENDITURES	\$21,269,219	\$17,635,132	\$17,286,317	\$15,368,794	\$12,844,381	\$84,403,843



OTHER NON GENERAL FUNDS



Equipment Replacement Fund

The City's fleet consists of 685 vehicles and pieces of equipment. The Equipment Replacement Fund is targeted at reducing the operating costs of the City's fleet through preventive maintenance programs and a scheduled replacement program. It has three major objectives:

1. To objectively evaluate equipment purchases from an economic perspective (maintenance costs versus capitalization of new vehicles).
2. To stabilize the fluctuations in the annual budget due to equipment and vehicle purchases.
3. To function as a major component in the City's comprehensive fleet management program. This program includes an annual evaluation of the replacement needs of the City's fleet and annual budgeting of the funds necessary to accomplish this replacement.

<u>Fund Detail</u>	<u>FY06 - 07 Budget*</u>	<u>FY07-08 Budget</u>
Beginning Fund Balance	\$829,469	\$705,767
<u>Revenues</u>		
Transfer from General Fund	919,591	1,868,913
Auction Sales/Contributions	<u>75,208</u>	<u>0</u>
Total Revenues	\$ 994,799	\$ 1,868,913
<u>Expenditures</u>		
Equipment Replacement	<u>1,118,501</u>	<u>1,868,913</u>
Total Expenditures	\$ 1,118,501	\$ 1,868,913
Net Gain/Loss	(123,702)	0
Ending Fund Balance	\$705,767	\$705,767

* Revised FY 2007 Budget.

Note: There is a pool of funds budgeted under Designated Expenditures, totaling \$838,000, for the replacement of several dump trucks, a storm sewer flusher truck, a leaf collector, pick up trucks, a bucket truck, and a SWAT van, all of which have been determined to be beyond their useful life in accordance with the City of Charlottesville and national replacement standards. These funds will be transferred from the General Fund and into the Equipment Replacement Fund, and are reflected in the revenues shown above.

Facilities Repair Fund

The Facilities Repair Fund provides funding to preserve the City's investment of over \$60 million in non-school facilities, which have annual maintenance requirements. A schedule of routine preventive maintenance/repair and minor facility rehabilitation reduces the need for future, more expensive replacement. The budget proposes a plan of action to limit major expenses or major inconveniences in the near future. This annual funding is based upon three to five-year replacement schedules developed by City staff. The repair of the taxpayer's investment in the City's facilities remains the best defense against the enormous cost of total construction/renovation of the City's aging, but still very valuable, public facilities.

<u>Fund Detail</u>	<u>FY06 - 07 Budget*</u>	<u>FY07 - 08 Budget</u>
Beginning Fund Balance	\$797,553	\$759,664
<u>Revenues</u>		
Transfer from General Fund	450,000	500,000
Other Sources of Funding (Grants, Reimbursements, etc.)	<u>83,756</u>	<u>0</u>
Total Revenues	\$533,756	\$500,000
<u>Expenditures</u>		
Facilities Repair	<u>571,645</u>	<u>500,000</u>
Total Expenditures	\$ 571,645	\$500,000
Net Gain/Loss	(37,889)	0
Ending Fund Balance	\$759,664	\$759,664

* Revised FY 2007 Budget.

Retirement Fund

The Charlottesville Supplemental Retirement Fund, or Pension Plan, is designed to provide City employees with a pension to supplement social security benefits upon retirement. City employees who work at least twenty hours per week for a minimum of thirty-six weeks per year are enrolled in the plan, although they are not vested until they have completed five years of service. The City offers new employees a choice to opt into a Defined Contribution plan rather than the City's pension plan.

The Retirement Fund is a trust fund supported by contributions paid by the City. No employee contributions are made. The City's rate of contribution into the fund for FY 2007-2008 is 26.65% of general government and 37.87% of public safety employees' salaries.

The Charlottesville Pension Plan is administered by a 9-member commission, which consists of one City Council member, the City Manager, department heads specified by the City Code, three employee-at-large members, and a City retiree.

<u>Fund Detail</u>	<u>FY06-07 Budget*</u>	<u>FY07-08 Budget</u>
Beginning Fund Balance	\$74,944,115	\$76,697,618
<u>Revenues</u>		
Investment Income	1,500,000	1,800,000
Contributions from All Funds	<u>8,200,000</u>	<u>9,436,654</u>
Total Revenues	\$ 9,700,000	11,236,654
<u>Expenditures</u>		
Payments to Retirees	5,580,000	7,351,276
Life Insurance payment to benefit retirees	68,400	53,000
Human Resource shared expenses	128,750	88,165
Investment Counsel Fees	350,000	385,000
Actuarial Study and Services	40,000	40,000
Health care costs	1,620,000	1,734,123
Disability Insurance	108,000	114,000
City Attorney Fees	6,000	6,053
City Link Recurring Costs	20,347	25,980
Miscellaneous	<u>25,000</u>	<u>10,000</u>
Total Expenditures	\$7,946,497	\$9,807,597
Net Gain/Loss	\$1,753,503	\$1,429,057
Balance	\$76,697,618	\$78,126,675

* Revised FY 2007 Budget.

Risk Management Fund

The City maintains a Risk Management Fund to account for all insurance revenues and expenditures. Premium costs are allocated to the various operating funds and accounts (for example, General Fund operating departments, such as Police, Fire, Public Works, etc.), and are distributed within each department/division budget under the "Insurance" and "Workers Compensation" line items. The Risk Management Fund has the following objectives:

1. Protect the City of Charlottesville to the extent possible by eliminating or reducing conditions that could result in financial loss.
2. Preserve the City's assets and public service capabilities from loss, destruction, or depletion.
3. Minimize the total long-term cost to the City of all activities related to the identification, prevention, and control of accidental losses and their consequences.
4. Maintain procedures to identify, analyze, and predict exposures to financial loss, and employ proven risk management techniques to minimize and provide funding for losses.
5. Establish an exposure-free work and service environment in which City personnel, as well as members of the public, can enjoy safety and security in the course of their daily pursuits.
6. Centralize and coordinate all costs associated with the City's risk management program.
7. Maintain a comprehensive risk financing program to review liability and risk transfer opportunities and determine the feasibility of self-insurance in lieu of the purchase of traditional insurance coverages.

<u>Fund Detail</u>	<u>FY06-07 Budget*</u>	<u>FY07-08 Budget</u>
Beginning Fund Balance	\$ 240,278	\$ 317,986
<u>Revenue</u>		
Transfer from General Fund	9,722	0
Contributions from Other Funds	<u>2,092,130</u>	<u>2,129,351</u>
Total Revenues	\$2,101,852	\$2,129,351
<u>Expenditures</u>		
Insurance Premium Cost	997,921	1,065,139
Workers compensation claim payments and reserves	811,597	907,123
Administrative Cost	<u>214,626</u>	<u>199,792</u>
Total Expenditures	\$2,024,144	\$2,172,054
Net Gain/Loss	77,708	(42,703)
Ending Fund Balance	\$ 317,986	\$ 275,283

* Revised FY 2007 Budget.

Debt Service Fund

The City's Debt Service Fund provides the funds necessary to retire the City's general government outstanding bonded indebtedness. General obligation bonds are used to pay the cost of various public improvements.

The City's current level of bonded indebtedness (at June 30, 2006) is indicated by four key financial indicators: net bonded debt of \$35,934,791, a ratio of debt to assessed value of 0.86%, net bonded debt per capita of \$882, and a ratio of Debt Service to total General Fund expenditures of 6.61%. All of these indicators of the City's debt position are very positive and consequently the City has received the highest bond rating (AAA) from the two major rating agencies, Moody's and Standard & Poors. Both Moody's and Standard & Poors confirmed this AAA bond rating in October 2006.

The City's legal debt limit, as authorized by the Code of Virginia, is 10% of the total assessed value of real estate subject to local taxation. In 2006, the legal debt limit was \$421,177,230. The City's current general obligation indebtedness is \$53,883,124, which includes debt being repaid by the City's utility funds.

<u>Fund Detail</u>	<u>FY06 - 07 Budget*</u>	<u>FY07 - 08 Budget</u>
Beginning Fund Balance	\$ 4,962,807	\$ 5,815,875
<u>Revenues</u>		
General Fund Transfer	5,450,000	5,800,000
CIDA-SNL Loan	461,906	461,906
Meals Tax Revenue	1,568,175	1,681,905
Fire Department Transfer	250,000	-
County Fire Service Fees	264,000	132,000
City Link Loan - Transfer from City Link	352,679	352,679
Total revenues	\$ 8,346,760	\$ 8,428,490
<u>Expenditures</u>		
Bonds-		
1996	275,376	262,750
1998	829,498	797,835
2000	369,938	354,563
2001	213,108	208,232
2003	1,783,132	1,712,356
2004	1,552,459	1,526,158
2006	206,667	1,112,500
2007	0	
Subtotal	\$ 5,230,178	\$ 5,974,394
Literary Loans-		
CHS	0	0
Greenbrier	8,520	8,194
Johnson	14,485	14,001
Burnley-Moran	16,061	15,543
Subtotal	\$ 39,066	\$ 37,738
Lease-purchase agreements	263,737	131,868
SunTrust note-2002	1,588,031	-
Gas fund loan	0	0
CityLink Loan from Utilities	352,680	352,680
Fire Truck (2007)	-	100,025
Administrative Costs	20,000	20,000
Subtotal	\$ 2,224,448	\$ 604,573
Total Expenditures	\$ 7,493,692	\$ 6,616,705
Net Gain/Loss	853,068	1,811,785
Ending Fund Balance	\$ 5,815,875	\$ 7,627,660

* Revised FY 2007 Budget.

** This transfer is now shown under General Fund Transfer and has been increased by \$100,000.

Health Care Fund

The Health Care Fund is the funding source for the City's health related benefits provided to participants in the City's health care programs. The City self-insures its medical and dental insurance plans. This means the City is responsible for paying all claims and expenses generated by the program participants. Each year an actuarial analysis is conducted to determine the expected revenue requirements for the next fiscal year. The analysis evaluates prior year claims, participation levels, and any proposed plan design changes, to determine the required level of funding to cover claims costs. The Fund also pays for the associated Wellness initiatives which are an integral part of the City's medical cost containment strategy. One goal for the Fund is to maintain a minimum fund balance as a reserve to cover claims cost if they exceed the projected amount.

Fund Detail	FY 06-07 Budget*	FY 07-08 Budget
Beginning Fund Balance	\$ 1,558,799	\$ 2,273,653
<u>Revenues</u>		
Cost Center Contributions	4,922,588	5,209,029
Employee/Retiree HC payroll deductions	2,318,396	2,365,928
Retirement fund contribution	1,636,755	1,734,123
Agencies and individuals	1,069,709	1,087,792
Employee and retiree payments for Physical Fitness Clubs	144,019	145,000
Flexible spending account forfeitures	2,500	2,500
Total Revenues	\$10,093,967	\$10,544,372
<u>Expenditures</u>		
<u>Medical expenses</u>		
Southern Health	8,187,920	8,894,654
HMO - Health Reimbursement	73,900	58,275
Delta Dental	450,000	564,718
Total Medical and Dental Expenditures	8,711,820	9,517,647
<u>Other expenses</u>		
City contribution for Fitness Program	300,000	300,000
Employee Assistance Program	17,600	20,000
Palmer Cay Consultants	60,000	65,000
Health Screening	40,000	60,000
Flu Shots	10,000	15,000
On-site nurse program	7,000	7,000
Life Choice operating expenses and supplies	4,000	4,000
Wellness Initiatives	-	15,000
Medical Insurance Opt-out payment	30,000	30,000
Flex-Ben (Flexible and COBRA administration)	25,000	25,000
Human Resource Staff	138,600	92,328
City Link Recurring Cost	33,593	33,680
Telephone charges	1,500	1,500
Total Other Expenditures	\$667,293	\$668,508
Total Expenditures	\$ 9,379,113	\$10,186,155
Net Gain/Loss	714,854	358,217
Ending Fund Balance	\$ 2,273,653	\$ 2,631,870
Palmer Cay Recommended Reserve	\$1,200,000	\$1,200,000

Note: Starting July 1, 2007, retiree spouses over 65 will pay a monthly medical premium of \$282.

* Revised FY 2007 Budget

Communications System Fund

The Communications System Fund provides the necessary funding for the operation of the City of Charlottesville's citywide phone system and the City's mailroom operations throughout the fiscal year. The citywide phone system is managed by IT and funded through user fees. This portion of the Communications System Fund includes base rates for phones, long distance, maintenance contracts, and any software upgrades related to the Phone system.

Mailroom operations are also included in the Communications System Fund. Mailroom expenses include the cost of postage and maintenance contracts for postage meter machines. This portion of the Communications System Fund is also funded through departmental user fees.

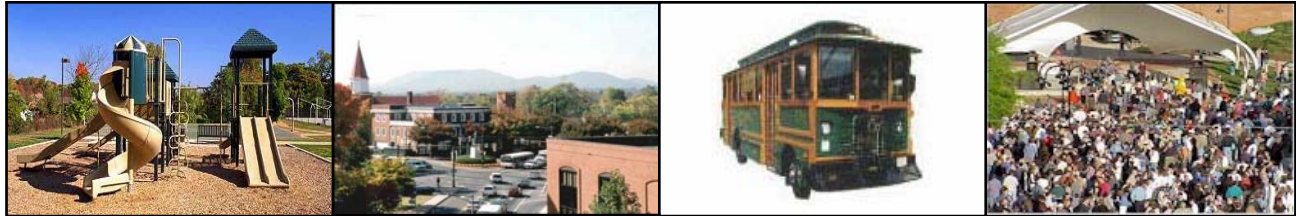
<u>Fund Detail</u>	<u>FY06 - 07 Budget</u>	<u>FY07 - 08 Budget</u>
Beginning Fund Balance	\$172,995	\$172,995
<u>Revenues</u>		
Phone Fees	245,475	312,286
Postage Revenue	<u>105,280</u>	<u>90,286</u>
Total Revenues	\$350,755	\$402,572
<u>Expenditures</u>		
Salaries	46,075	52,818
Telephone Services	142,000	169,074
Service Contracts	37,000	60,875
Postage Expenditures	100,000	75,000
Other Expenditures	<u>25,680</u>	<u>44,805</u>
Total Expenditures	\$ 350,755	\$402,572
Net Gain/Loss	0	0
Ending Fund Balance	\$172,995	\$172,995



CITY PROFILE



City Profile



Date of Incorporation	1888
Form of Government	Council-Manager
Current Population Estimate (2004 Census Update)	40,745
Land Area (square miles)	10.4
Population Density (population/square miles)	3,918
University Students Residing within City (2006)	9,000
Unemployment Rate (2006)	2.1%
Total Real Estate and Personal Property Values (2006)	\$4,575,826,316
Taxable Sales (2004)	\$775,827,000
Median Household Income (2000 Census)	\$32,785
Building Permits (2006)	2,404
City School Students (2007 projected)	3,977
Miles of Streets	156
Number of Acres of Parks and Playgrounds	987
Number of Libraries	3
Number of Streetlights	5,960
Public Utilities (number of customers)	
Gas	18,300
Water	13,665
Sewer	13,562
Number of Registered Voters	23,059
Bond Rating (General Obligation Bonds)	Moody's Investor Services AAA Standard & Poor's Corporation AAA
Number of Employees (FTE's):	
City	920
Schools	788

Sources:

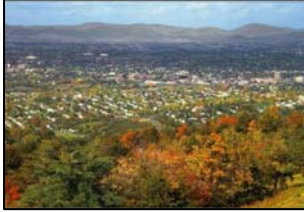
City of Charlottesville Comprehensive Annual Financial Report for the fiscal year ending June 30, 2006 Virginia Employment Commission - Labor Market Statistics; Weldon C. Cooper Center for Public Service; University of Virginia.

City Profile

"A World Class City"

BACKGROUND

The City of Charlottesville encompasses 10.4 square miles and has a population of 40,745. Its rich history began with the town's establishment in 1762, and it was named for Queen Charlotte, wife of King George III of England. Charlottesville was incorporated as a city in 1888.



Centrally situated in the foothills of the Blue Ridge Mountains just 120 miles from the nation's capital, Washington, D.C., and 70 miles from the state capital, Richmond, Charlottesville and surrounding Albemarle County is an area rich with culture and deeply rooted in history. However, Charlottesville may best be known as the home of Thomas

Jefferson and his mountaintop estate Monticello, as well as the University of Virginia, founded by Jefferson and consistently ranked one of the top public universities in the nation. Both Monticello and the University of Virginia are listed on the World Heritage Foundation list of prized cultural or natural assets, making them two of the area's top attractions.

NATIONAL RANKINGS & AWARDS

The City has built a reputation as one of the best places to live in the United States. In 2004, Charlottesville was chosen as the best place to live in America by Frommer's Cities Ranked and Rated. Other national rankings include **"Best Small City in the South"** (Money Magazine), #3 "The Best Small Cities" (Men's Journal), one of **"Top Ten Places to Raise a Family"** (Reader's Digest), **"One of the Best Small Places for Business and Career"** (Forbes/Milken Institute), **"Best Tennis Town"** (Tennis Magazine), **"#2 Healthiest Place to Live in America"** (Kiplinger's Personal Finance), one of **"Seven Dream Towns that Have it All"** (Outside Magazine), **"Most Energetic City in the Country"** (USA Weekend), **"Best Retirement City for Golfers"** (Golf Digest), and the list goes on and on.



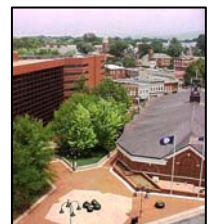
CITY GOVERNMENT

The City operates under the Council/Manager form of government with legislative powers vested in a 5 member Council elected at-large for four-year, staggered terms. The Mayor and Vice-Mayor are elected from within the Council for two-year terms. Administrative and executive duties are performed by the Council-appointed City Manager. There are approximately 914 City full-time equivalent employees.



BUSINESS

With its small-town charm and historical setting, Charlottesville attracts new business each year. Charlottesville provides a strategic location for many major high-tech employers, including the largest employer, the University of Virginia, where there are approximately 11,000 University employees, 7,000 hospital employees, and 20,000 students. Other major employers in the area include Albemarle County, Martha Jefferson Hospital, Wal-Mart, State Farm Insurance, and Northrup Grumman-Sperry Marine. The grape business is currently the fastest growing agricultural industry in the region and local wines and vineyards have been nationally recognized ever since Jefferson earned the title "Father of American Wine." All of this has resulted in the City's unemployment rate being consistently one of the lowest in the nation, averaging around 2.1% for 2006.



Top Ten Employers in the Charlottesville Regional Area:¹

- | | | |
|-----------------------------------|----------------------------|---------------------------|
| 1) University of Virginia | 2) UVA Medical Center | 3) County of Albemarle |
| 4) Martha Jefferson Hospital | 5) City of Charlottesville | 6) State Farm Mutual Ins. |
| 7) UVA Health Services Foundation | 8) Charlottesville Schools | 9) Northrop Grumman Co |
| 10) U.S. Department of Defense | | |

¹ Source: Adapted from the Virginia Employment Commission Labor Market Information for the Charlottesville MSA (Second Quarter 2006).

What People Are Saying...



Folks that have lived here for a long time are aware of our City's benefits and the high quality of life in our "World Class" City. Here is also what some other well-known sources are saying about life here in Charlottesville:

- **Frommer's Cities Ranked and Rated** – Charlottesville Ranked Best Place to Live in America! (2004)
- *Men's Journal* — #3 Best Small City to Live (2004)
- # 1 Municipal Website – National Association of Government Webmaster & City County Communications Management Association (2006)
- *Money Magazine* — Best Places to Live (1999 & 2000)
- *Outside Magazine* — One of the Best Places to be Found 1995 & 1999, also one of Seven Dream Towns That Have it All
- *Kiplinger's Personal Finance* — #2 Healthiest Place to Live in America
- *Reader's Digest* — Top Ten Places in the Country to Raise a Family (#7 out of 50)
- *American Health* — Top Ten Healthiest Cities for Women (#6)
- *Golf Digest* — Best Retirement City for Golfers (#1)
- *Tennis Magazine* — Best Tennis Town (#1)



- *Americas Best Places to Retire 2007* – Best College Towns (#5), Best Four-Season Towns (#3)
- *Department of Transportation* – Best Workplace for Commuters

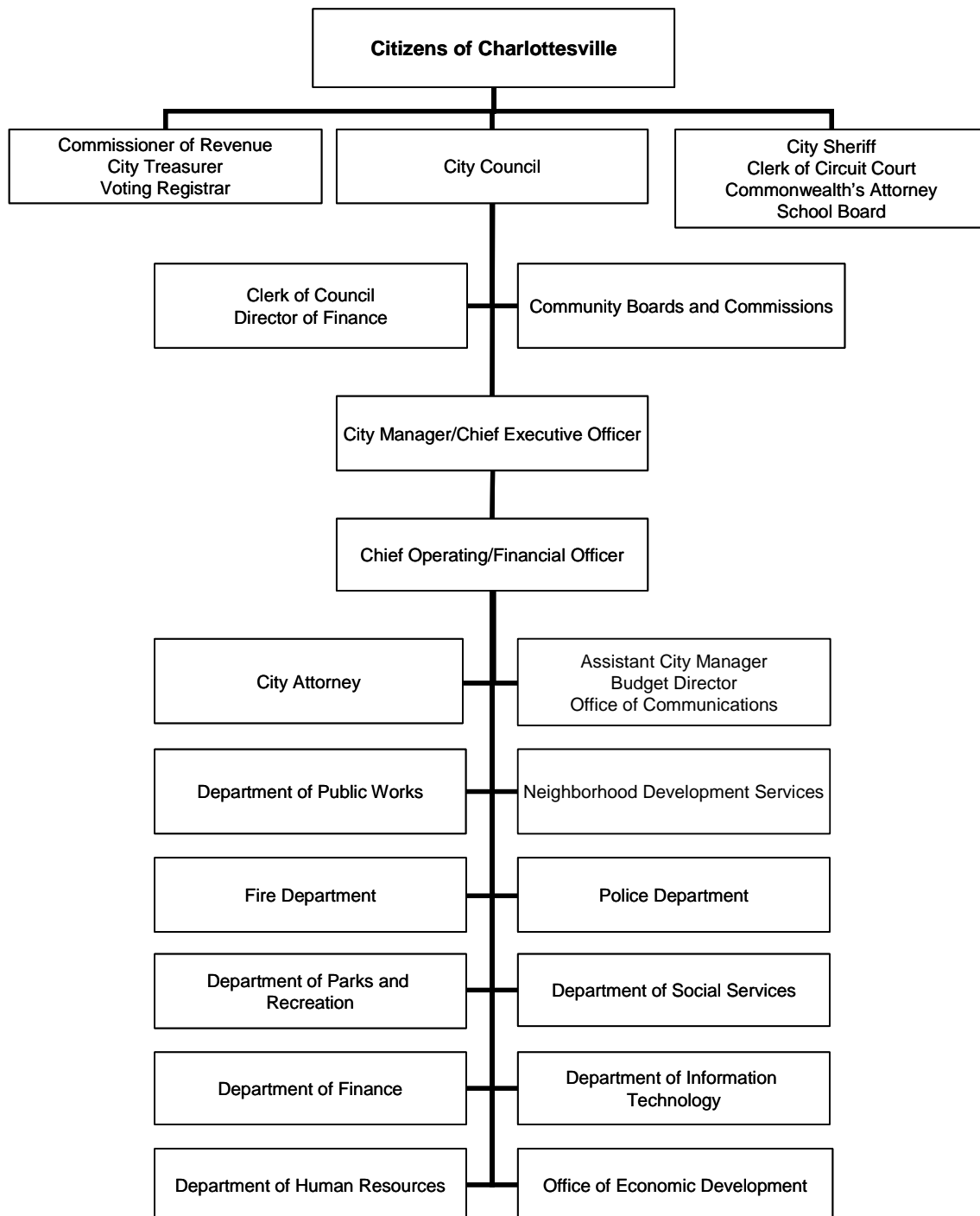
- *Arts and Entertainment Television* — One of the Best Places to Live in America (#6)
- *Business 2.0 Magazine* — Fastest Growing Business Markets with a population under 1 million (#2)
- *E-Podunk.com* — Best Small College Town (#1)



- *Life Magazine* – The Best New Place to Drink Wine
- *Southern Business & Development Magazine* - #1 Really Cool Small Southern Markets
- *National Trust for Historic Preservation* – Distinctive Dozen Destinations

- *Modern Maturity Magazine* — Most Alive Places to Live (#2 College Town)
- *Forbes/Milken Institute* — Best Small Places for Business and Career 2001 (#12)
- *Expansion Magazine* — Best Metro Areas for Overall Quality of Public Schools 2004 (#3)

City Organizational Chart



City Wide Staffing (Full Time Equivalent)

<u>Department/Cost Center</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>General Fund</u> <u>Change</u>	<u>Other Funds</u> <u>Change</u>	<u>Explanation of Changes</u>
Management						
Mayor/Council	1.00	1.00	1.00	0.00	0.00	
City Manager's Office/Administration and Office of Communications	10.00	9.00	9.00	0.00	0.00	In FY 2008, a Customer Service Care Center Director will be hired to guide and direct the City's centralized customer service initiative. This position is replacing an existing vacant Assistant City Manager position. Half the salary and benefits of this position will be paid from the City Manager's Office and other half from the Utility Billing Office.
City Manager's Office/Office of Economic Development	4.00	4.00	4.00	0.00	0.00	
City Attorney	6.00	6.00	6.00	0.00	0.00	
Voting Registrar	2.50	2.50	2.50	0.00	0.00	
Total	23.50	22.50	22.50	0.00	0.00	
Internal Services						
Finance Department: Purchasing/Risk Management/Warehouse	6.00	6.00	6.00	0.00	0.00	
Human Resources	8.00	8.00	8.00	0.00	0.00	
Information Technology	18.00	18.00	18.00	0.00	0.00	
Total	32.00	32.00	32.00	0.00	0.00	
Financial Services						
Commissioner of Revenue	13.00	13.00	13.00	0.00	0.00	
Finance Department: Management/Real Estate Assessment/Utility Billing Office	32.00	33.00	33.00	0.00	0.00	
Treasurer	13.00	13.00	13.00	0.00	0.00	
Total	58.00	59.00	59.00	0.00	0.00	
Healthy Families & Community						
CACVB	8.00	10.00	10.00	0.00	0.00	
Community Attention/JCAC	27.25	26.00	26.00	0.00	0.00	
Commission on Children and Families (CCF)	5.43	1.00	1.00	0.00	0.00	On January 1, 2007, fiscal agent responsibility of the Commission of Children and Families was formally moved to Albemarle County. Only one CCF employee remains a City employee, which is reflected here. The remainder are County employees.
Department of Social Services	106.675	106.180	106.180	0.00	0.00	
Neighborhood Development Services	29.00	30.00	30.00	0.00	0.00	In FY 2008, an Assistant Traffic Engineer was approved. This position will provide technical assistance to the City's Traffic Engineer. In addition, a City Engineer was moved from this department to the Utilities.
Parks and Recreation: Parks Maintenance	41.00	40.00	40.00	0.00	0.00	
Parks and Recreation: Recreation	24.65	26.63	26.63	0.00	0.00	
Parks and Recreation: Golf Courses	9.00	8.75	8.75	0.00	0.00	
Weed and Seed Grant	1.00	0.50	0.50	0.00	0.00	
Total	252.005	249.060	249.060	0.00	0.00	

<u>Department/Cost Center</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>General Fund Change</u>	<u>Other Funds Change</u>	<u>Explanation of Changes</u>
Infrastructure/Transportation						
Public Works: Administration, Facilities Management	16.00	16.00	16.00	0.00	0.00	
Public Works: School Building Maintenance	9.00	13.00	13.00	0.00	0.00	
Public Works: Fleet Management	12.00	12.00	12.00	0.00	0.00	
Public Works: Public Service	51.00	51.00	51.00	0.00	0.00	
Public Works: CTS/Greyhound Operations	66.00	66.00	66.00	0.00	0.00	
Public Works: Pupil Transportation	23.50	23.50	30.00	0.00	6.50	The schools will purchase more service hours (6.5 FTES worth of service) in FY 2008.
Public Works: Utilities	89.00	89.00	90.00	0.00	1.00	The increase in FTE's can be attributed to the transfer of an Engineering position from Neighborhood Development Services and was previously budgeted as a contractual expense.
Total	266.50	270.50	278.00	0.00	7.50	
Public Safety & Justice						
City Sheriff	11.00	11.00	11.00	0.00	0.00	
Commonwealth's Attorney	11.50	13.50	13.50	0.00	0.00	
Courts and Other Support Service	11.00	11.00	11.00	0.00	0.00	
Fire Department: EMS and Ambulance Services	0.00	0.00	9.00	0.00	9.00	Starting January 2008, the City will provide EMS/Ambulance services. These new FTE's represent 8 Firefighter/Medic positions and one new Administrative Assistant that will work with the third party biller. A billing system will generate revenue to partially support the cost of operating an ambulance service.
Fire Department: Operations	94.00	89.00	89.00	0.00	0.00	
Police Department	146.00	146.43	146.43	0.00	0.00	
Total	273.50	270.93	279.93	0.00	9.00	
<hr/>						
City-Wide Total	905.5	904.0	920.5	0.00	16.50	

Note: The position totals in this budget only include **full or part time regular positions**, and NOT temporary or seasonal employees due to the turnover rate of those categories, and the fact that the numbers of these employees can vary greatly in any given year. The one exception is School Pupil Transportation who regularly employs temporary and relief drivers whose numbers do not change. This is different from in past years, when some departments showed both and others did not. This, however, presented an inaccurate count of employees. With the implementation of City Link, City staff has been better able to track and determine the number of positions in a given department and offers much easier access to this data.

GLOSSARY



Glossary

Adopted Budget	The budget as formally approved by City Council for the upcoming fiscal year.
Ad Valorem Tax	A direct tax calculated according to value of property. Ad valorem tax is normally the one substantial tax that may be raised or lowered by a local governing body without the sanction of superior levels of government (although statutory restrictions such as tax rate limitations may exist on the exercise of this right).
Appropriation	Legal authorization of funds approved by City Council for budget revenues and expenditures.
Assessed Value	Dollar value assigned to property, as determined by an Assessor, for the purposes of assessing taxes.
Budget	Plan of financial operation for the City. Includes estimated income (revenues) and expenses (expenditures) matched with various municipal services.
Capital Improvement Program (CIP)	A plan for future capital expenditures which identifies each capital project, its anticipated start and completion, and the cost per year.
Debt Service	Payment of principal and interest related to the City's long-term borrowing, according to a predetermined payment schedule.
Enterprise Fund	A separate fund used to account for operations that are financed and operated in a manner similar to private business enterprises where it is the intent that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. For the City of Charlottesville, the water, sewer, and gas funds comprise the enterprise funds.
Expenditures	The cost of goods delivered or services rendered by the City.
Fiscal Year (FY)	A twelve-month period during which the annual operating budget applies. In the City of Charlottesville, the fiscal year is July 1 through June 30.
Full Time Equivalent (FTE)	A means to determine the number of employees in the organization as measured by number of hours worked – 1 FTE = 40 hours per week, 0.5 FTE = 20 hours per week, etc.
Fund	An accounting term to describe the City's major financial accounts: general fund, utilities, and capital improvements fund.
Fund Balance	The accumulated revenues and other financing sources over expenditures and other uses.

Fund Balance Target Adjustment	An account created to help ensure that the City continues to meet the following financial policy: the City will maintain an unappropriated fund balance in the General Fund equal to 12% of the City's operating budget.
General Fund	A fund used to account for all revenue and expenditures applicable to general operations of City departments and other agencies, not properly accounted for in another fund.
Intergovernmental Revenue	Revenue collected by one government and distributed in the form of grants, shared revenues, or payments in lieu of taxes.
Internal Service Fund	Funds which account for those activities supplied by one department to another on a cost-reimbursement basis. Fleet Maintenance, Risk Management and Information Technology are internal service funds.
Line-Item	A budgetary account representing a specific object of expenditure. The 40000 account codes represent the revenue line items and the 50000 account codes represent the expenditure line items. Examples include line item 51101 – Full-time salaries, line item 52101 – Office Supplies, and line item 55109 – Computer Hardware.
Modified Accrual	Governmental accounting method where revenue is recognized when it becomes available and measurable and expenditures are typically recognized in the period in which the liability is incurred, with some exceptions. Most governmental funds follow the modified accrual method.
Operating Budget	A financial plan that represents proposed expenditures for a given period and estimates of revenue to finance them. Excludes expenditures for capital assets, such as capital improvements, equipment replacement, and facility repair.
Other Expenses	A category of recurring expenses other than salaries and capital equipment costs that are required for a department to function. Examples include office supplies, data processing charges, education and training, and contractual services.
Salaries and Benefits Expenses	A category of expenditures consisting primarily of the salaries, wages, and fringe benefits of the employees.
Proposed Budget	The budget formally submitted by the City Manager to the City Council for its consideration.
Revenue	The yield from various sources of income, such as taxes and permits, that the City collects and receives into the treasury for public use.
Revenue Sharing	The process by which one unit of government levies revenue and shares it with another unit of government. In this case, Albemarle County shares some of its revenue with the City of Charlottesville.

Transfers to Other Funds	An allocation of appropriations used to reimburse a fund for expenses it incurred on behalf of the transferring fund or to record the transfer of revenue from one fund to assist in funding the operation of another. In the recipient fund, a matching amount is reflected in estimated revenues under the title of "Transfer From Other Funds".
User-Fee	Payment of a fee for direct receipt of a public service by the party benefiting from the service.





INDEX

Index

A

Abundant Life Ministries, 61
 African American Festival, 60
 AHIP, 64
 AIDS/HIV Services Group, 61
 Alliance for Community Choice in
 Transportation, 61
 Ashlawn-Highland Summer Festival, 62

B

Basis of Budgeting, 6
 Blue Ridge Juvenile Detention Home, 77
 Blue Ridge Medical Latino Promotion
 Program, 61
 Boys and Girls Club, 61
 Budget Adoption, 7
 Budget Guidelines, 8
 Budget Process, 6
 Business Services, 45
 Budget Calendar, 4

C

Capital Improvement Program (FY 08-12), 90
 Capital Improvement Program Fund, 85
 Capital Improvement Program Highlights, 11
 Capital Improvement Program Initiatives, 12
 Capital Improvement Program
 Operational Impacts, 89
 Capital Improvement Program
 Revenue and Expenditures Graph, 86
 Chamber of Commerce, 35
 Charlottesville-Albemarle Convention
 and Visitors Bureau, 57
 Charlottesville-Albemarle Health
 Department, 61
 Charlottesville City Council
 Vision – 2025, 2
 Charlottesville Community Design Center, 64
 Charlottesville Contemporary Center
 for the Arts, 62
 Charlottesville Housing Affordability Tax
 Grant Program, 64
 Children, Youth and Family Services, 61
 Circuit Court, 78
 City Attorney, 33
 City Awards, 103
 City Link Operations, 48
 City Manager's Office/Administration and Communications, 31
 City Manager's Office/Office of Economic Development, 32
 City Profile, 101
 City/School Contracted Services
 School Building Maintenance, 84
 Pupil Transportation, 84
 City Wide Staffing (Full Time Equivalent), 105

Commission on Children and Families, 61
 Commissioner of the Revenue, 51
 Commonwealth's Attorney, 76
 Communications System Fund, 99
 Community Events and Festivals, 60
 Community Attention, 59
 Comprehensive Services Act, 58
 Computers 4 Kids, 61
 Contact Information, 1
 Contributions to Children, Youth,
 and Family Oriented Programs, 61
 Contributions to Education and the
 Arts, 62
 Contributions to Programs Promoting
 Public Safety and Justice, 77
 Council Reserve, 29
 Courts and Other Support Services, 78
 Court Services Unit, 78

D

Debt Service, 37
 Debt Service Fund, 97
 Description of FY 2008 Capital
 Projects, 87

E

E-911 Emergency Communications
 Center, 77
 Employee Compensation and Training, 41
 Equipment Replacement Fund, 93
 Expenditure Changes, FY 2008, x
 Expenditures Detailed, 25
 Explanation of Revenues, 15

F

Facilities Repair Fund, 94
 Free Clinic, 61
 Financial Services Summary, 49
 Accomplishments and Goals, 50
 Finance Department, 46, 52
 Management, 52
 Purchasing, 46
 Real Estate Assessment, 52
 Risk Management, 46
 Gas and Water Collections, 52
 Warehouse, 46
 Fire Department, 79 – 80
 EMS/Ambulance Service, 79
 Operations, 80
 First Night Virginia, 60
 Fund Balance Target Adjustment, 39
 Fund Structure, 5

G

General District Court, 78
General Fund Expenditure Summary, 14
General Fund Revenue Detailed, 21
General Fund Revenue Summary, 13
General Registrar, 34
Glossary, 107
Golf, 66

H

Health Care Fund, 98
Healthy Families and a Healthy
Community Summary, 55
Accomplishments and Goals, 56
Historic Preservation Task Force, 62
Housing Affordability Tax Grant Program, 64
Housing Programs and Tax Relief, 64
Human Resources, 47

I

ICMA Performance Consortium, 35
Information Technology, 48
Infrastructure and Transportation
Summary, 67
Accomplishments and Goals, 68
Internal Services Summary, 43
Accomplishments and Goals, 44
Introduction to the Budget, 1

J

JAUNT, 71
Jefferson Area Board for the Aging,
61
Jefferson-Madison Regional
Library, 62
Jefferson Regional Partnership for
Economic Development, 35
Joint Security Complex, 77
Juneteenth Celebration, 60
Juvenile and Domestic Relations
District Court, 78

L

Legal Aid Society, 77
Legal Budgeting Requirements, 7
Literacy Volunteers, 62

M

MACAA, 61
Madison House, 61
Major Expenditure Highlights of the Budget, 9
Major Local Revenues – Descriptions and Trend
Data, 16
Management Summary, 27
Accomplishments and Goals, 28

Manager's Budget Message, i
Mayor and City Council, 30
McGuffey Art Center, 62
Municipal Band, 62
Music Resource Center, 61

N

Neighborhood Development Services, 65
Non General Fund Revenue Detailed, 23

O

Offender Aid and Restoration, 77
Office of the Magistrate, 78
Organizational Chart, 104
Organizational Memberships, 35

P

Parks & Recreation, 66
Partnership for Children, 61
Piedmont CASA, 77
Piedmont Council of the Arts, 62
Piedmont Housing Alliance, 64
Piedmont Virginia Community
College, 62
Police Department, 80
Public Works, 69 - 72
Public Works: Administration/Facilities
Management and Maintenance, 69
Public Works: Public Service/Fleet, 70
Public Works: Transit/JAUNT, 71
Public Works: Utilities, 72
Public Safety and Justice Summary, 73
Accomplishments and Goals, 74
Purchasing, 46
Purpose of Budgeting, 5

R

Region Ten, 61
Retirement Fund, 95
Revenue Changes, FY 2008, ix
Risk Management Fund, 96

S

School Operations, 83
Sexual Assault Resource Agency, 61
Shelter for Help in Emergency, 61
Sheriff, 75
Soccer Organization of Charlottesville-
Albemarle, 61
Social Services, 63
Society for the Prevention of
Cruelty to Animals (SPCA), 77
Summer Youth Internship
Program, 61

T

Tax and Fee Rates, 20
Tax & Rent Relief for Elderly
and Disabled, 64
Teensight Child Care, 61
Thomas Jefferson Planning District
Commission, 35
Thomas Jefferson Planning District
Commission Workforce One Stop Center, 35
Thomas Jefferson Soil and Water Conservation
District, 35
Treasurer, 53

U

United Way Child Care, 61
Urban Vision, 62
Utility Billing Office, 52

V

Virginia Cooperative Extension, 61
Virginia Discovery Museum, 62
Virginia Festival of the Book, 60
Virginia Film Festival, 60
Virginia First Cities, 35
Virginia Innovations Group, 35
Virginia Institute of Government, 35
Virginia Municipal League, 35

W

WHTJ-TV, 62
WVPT-TV, 62

